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FBIS-EEU-95-005 CONTENTS *9 January 1995*

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.

ALBANIA

EU Ambassador to Albania Briefs Newsmen on Aid *[RILINDJA DEMOKRATIKE 15 Dec]* 1
Economy's 1994 Performance Reviewed, Detailed *[LAJMI I DITES 31 Dec]* 2
KSHH Suggests Nano Be Released From Prison *[ZERI I POPULLIT 28 Dec]* 2
REPUBLIKA Chief Editor Rakipi Resigns *[Tirana Radio]* 3

BULGARIA

Trade Representations Restored in 79 Countries *[TRUD 29 Dec]* 4
Former Defense Plant Producing Medical Equipment *[TRUD 22 Dec]* 4
Airlines Disputing Number of Weekly Flights *[24 CHASA 29 Dec]* 4

CZECH REPUBLIC

President Seen To Be Espousing Opposition Views *[DENNI TELEGRAF, etc.]* 5
Aspects of Admission to European Union Debated *[PRAGUE POST 13 Dec]* 5
Laws To Meet European Union Requirements *[PROGNOSIS WEEKLY 7 Dec]* 6
Treatment of Gypsy Population Questioned *[PROGNOSIS WEEKLY 7 Dec]* 7
New Privatization Chief Designated *[PROGNOSIS WEEKLY 7 Dec]* 9
Kc11.2 Billion 1994 Budget Surplus Reported *[LIDOVE NOVINY 3 Jan]* 10
Second Gas Pipeline From Russia Proposed *[PRAGUE POST 13 Dec]* 10
Army To Return to More Drill, Discipline *[MLADA FRONTA DNES 29 Dec]* 11
Draftees Opt for Civilian Service Over Military *[DENNI TELEGRAF 2 Jan]* 12
Parliamentary Committee Favors F-16's *[PRAGUE POST 13 Dec]* 12

SLOVAKIA

Deputy Prime Minister on Draft Policy Statement *[Bratislava TV]* 14
Meciar, Employers' Leader on Economic Program *[Bratislava Radio]* 14
Duray Welcomes Meciar's Invitation to Hungary *[Budapest Radio]* 15
Meciar's Parliamentary Moves Explained *[SLOBODNY PIATOK 24 Nov]* 15
Meciar Seen as Problem-Solving Leader *[PRAGUE POST 6 Dec]* 16
HZDS Handling of Privatization Questioned *[SLOBODNY PIATOK 3 Nov]* 17
HZDS Political Tactics Characterized *[SLOBODNY PIATOK 10 Nov]* 19
Causes of Czech-Slovak Separation Examined *[SLOBODNY PIATOK 10 Nov]* 20

HUNGARY

Demonstration at Embassy Protests Chechen Events *[Budapest TV]* 22
Commander Views Forthcoming Army 'Transformation' *[Budapest TV]* 22
Official Calls For Self-Restraint, Moderation *[NEPSZAVA 2 Jan]* 22
State Secretary on HDUR's Struggle for Autonomy *[Budapest Radio]* 23
Ethnic Hungarian Assesses Minority Policy *[NEPSZAVA 4 Jan]* 24
Secret Service Head Discusses Undercover Work *[MAGYAR NEMZET 2 Jan]* 24
Customs Confiscated 764 Kg of Drugs in 1994 *[NEPSZABADSAG 3 Jan]* 26

POLAND

BBN Head on Pastusiak Appointment Controversy *[Warsaw TV]* 27
Helsinki Committee Members Picket Russian Embassy *[Warsaw Radio]* 27
Pawlak Expects Stabilization in 1995 *[HOSPODARSKE NOVINY 3 Jan]* 27

SLD Leader Aleksander Kwasniewski Interviewed *[Warsaw Radio]* 27
UW Discusses Possible Presidential Candidates *[GAZETA WYBORCZA 6 Jan]* 30
SDRP Discusses Options of Government Reshuffle *[Warsaw Radio]* 31
Former Landowners Press for Compensation *[Warsaw Radio]* 31

ROMANIA

Foreign Minister Summarizes Diplomatic Efforts *[CURIERUL NATIONAL 29 Dec]* 33
Minority Self-Governments To Be Created *[Budapest Radio]* 35
Hercules Transport Planes To Replace Antonovs *[ADEVARUL 28 Dec]* 36
Commissions Suggest Funds Be 'Supplemented' *[ADEVARUL 28 Dec]* 36
Barcau River Pollution Being Investigated *[Bucharest Radio]* 36
Article Claims Northern Rivers Extremely Polluted *[ADEVARUL 28 Dec]* 36
'Betrayal'of Constanta Workers Deplored *[ROMANIA LIBERA 19 Aug]* 36
Law on Tax on Income From Agriculture *[MONITORUL OFICIAL 2 Jun]* 37

BOSNIA-HERZEGOVINA

Izetbegovic Supports Plan To Lift Arms Embargo *[Sarajevo Radio]* 42
Izetbegovic Meets Assistant U.S. State Secretary *[Sarajevo Radio]* 42
Mladic: U.S. Policy on Bosnia 'Encouraging' *[Sarajevo Radio]* 42
'Unacceptable' Serb Demands End Joint Meeting *[Sarajevo Radio]* 42
Serb Negotiator: Headway Made at Airport Talks *[SRNA]* 43
Gen Mladic: No Talks Unless Muslims Leave Igman *[SRNA]* 43
Karadzic: Muslims Must Accept Divided Sarajevo *[SRNA]* 44
Krajisnik Urges Defining Controversial Territories *[BORBA 6 Jan]* 44
Serb Forces 'Scrupulously' Honoring Truce *[TANJUG]* 45
Serbs 'Incessantly Pounding' Bihac Defenses *[Sarajevo Radio]* 45
    'Dozen' Said Wounded *[Sarajevo Radio]* 45
Two French Peacekeepers Wounded in Sarajevo *[Paris TV]* 45
Serbs Report Croat-Muslim Fighting in Mostar *[TANJUG]* 45
Herceg-Bosna Implementing Single Croat Policy *[Zagreb TV]* 46
Zubak: Muslim-Croat Federation Will Live On *[Mostar Radio]* 46
TV Head Denounces Silajdzic's Ban on Reporting *[Sarajevo Radio]* 46
    Bosnian Croat Radio Comments *[Mostar Radio]* 47
    Bosnian Radio Responds *[Sarajevo Radio]* 47
    SDA Statement on 'Dispute' *[Sarajevo Radio]* 48
    Bosnian Croat Minister on 'Secret' Session *[Sarajevo Radio]* 48
Tuzla Muslim Group Supports West Bosnia Autonomy *[TANJUG]* 48
Serb Commander Sends Holiday Greetings *[SRNA]* 49
Russian, Belarus Parliamentarians Support Serbs *[TANJUG]* 49

CROATIA

Tudjman Discusses Economic, Political Issues *[Zagreb Radio]* 50
Zagreb Reluctant on Lifting Arms Embargo *[Sarajevo Radio]* 50
Official Discusses UNPROFOR Mandate *[Zagreb Radio]* 50
Traffic on Zagreb-Lipovac Highway Smooth *[Zagreb Radio]* 51
FRY, Croatia, Rebel Serb Air Forces Compared *[SLOBODNA DALMACIJA 3 Jan]* 51
Prime Minister Valentic Leaves on Visit to PRC *[Zagreb Radio]* 52
U.S. Citizen Sentenced for Drug Smuggling *[VJESNIK 6 Dec]* 52
Report on Misappropriated Humanitarian Aid *[VJESNIK 8 Dec]* 52

YUGOSLAVIA

Federal

Pellnas: Belgrade Consistent in Border Control *[TANJUG]* 55
Likelihood of U.S. Lifting Bosnia Embargo *[TANJUG]* 55
Transfer to NASA BORBA Offered by Mijic *[POLITIKA 31 Dec-3 Jan]* 56
Yugoslav Envoy Hopeful for Serb-Croat Relations *[TANJUG]* 56
POLITIKA Board Calls For Antic Dismissal *[TANJUG]* 56

Serbia

Marjanovic: Programs To Fight Economic Crime *[Belgrade TV]* 57
Economist Says Budget Plans 'Irresponsible' *[BORBA 29 Dec]* 57
Correspondent Describes Croatian Media Situation *[BORBA 5 Jan]* 58
SPS Official Welcomes 4-Month Truce in Bosnia *[TANJUG]* 59

Kosovo

Rugova Briefs Wimmer on Serbian Aggression *[Tirana TV]* 59
Rugova Discusses U.S. Assistance; Condemns Serbs *[Tirana TV]* 60
Wimmer: Yugoslavia's Integrity Should Be Preserved *[TANJUG]* 60

Vojvodina

Authorities Discuss Plans To Develop 2 Airports *[POLITIKA 4 Jan]* 61

EU Ambassador to Albania Briefs Newsmen on Aid

95P20333A Tirana RILINDJA DEMOKRATIKE in Albanian 15 Dec 94 p 1

[Article by Edi Paloka: "News Conference of the Ambassador of the European Union in Albania, Elio Germano: The EU Had an Opportunity Once Again to Confirm Its Good Political Will to Support Albania in the Direction of Democracy and the Market Economy"]

[FBIS Translated Text]

—The harmony between the government structures and the EU [European Union] is being developed and intensified on a mutual basis.

—Long-term programs with maximum effects and the future of cooperation between the EU and Albania.

—The program of the government in cooperation with the International Monetary Fund is essential.

The EU ambassador in Tirana held a news conference on 14 December at the mission's headquarters. He stressed that the purpose of the meeting was to report on EU-Albanian relations.

"In 1994, the EU once again had an opportunity to confirm its good political will to make strong economic and financial resources available to Albania in order to support the country in its transition to democracy and a market economy," Germano said. Then he gave the figures for the assistance the EU gave to Albania in 1994: 64 million ECU in various forms and fields, such as agriculture, health, education, the infrastructure of the highway sector, etc. Germano mentioned the programs on which the granting of aid and credits is based, such as "Tempus" and "Cross Border." He said: "Some 15 million ECU were used to increase wages."

Commenting on the use and the results of this aid at the present time, Ambassador Germano pointed out that, since it is a matter of reform, the results of the PHARE [Economic Reconstruction Aid for Poland and Hungary] program cannot be seen immediately. These results will be more evident when the structures are completed in the country.

Explaining that there is a period of time between the approval of a program and its implementation, Germano said that a qualitative leap will be noted with the opening of the construction sites included in the 1994 programs. This year, the most importance was given to the infrastructure, in which [EU] involvement has been much greater during the past year than in previous years. In 1994, more than 50 percent of the aid has been used for financing and for construction sites.

Commenting on relations between Albania and the EU, Germano said that in general, the harmony between the government structures and the EU is being developed and intensified on a mutual basis. "There have been some difficulties in a general framework. You know these difficulties, but the important thing is the fact that the effect is isolated," he said. The EU assistance plan for 1994 balances out as positive.

Germano's report to the press concluded with a presentation of future programs.

Albania and the [European] Commission have had discussions for the purpose of drawing up multi-year programs, which would signify a qualitative leap. This would permit a better use of the assistance and would have maximum effects. Germano said: "In 10 to 15 days, a new stage in our relations will begin." He mentioned negotiations with Greece and Italy on a five-year cross-border program that will soon become a PHARE program. Germano talked about important meetings in 1995 such as the G-24 in Brussels and a conference on civil investments in Tirana.

He said, in conclusion: "Let me remind you that Albania continues to be linked to the EU by an agreement for collaboration and cooperation, which is only the first stage in further and deeper relations."

Then the question and answer period began. Responding to the question of the GAZETA SHQIPTARE journalist on how much aid was absorbed and on the results of this aid in 1993, Germano said that certain criteria should be taken into consideration in regard to the absorption of aid. He explained that a program begun in 1993 cannot be implemented completely in 1993. There are management, training, and planning schedules that prevent this. Absorption also involves the capacity of management to define a strategy. Albanian management has an absorption capacity; and despite the incomprehensible delays, it must be said that the absorption capacity is high.

Germano replied in the affirmative to the first question from the RILINDJA DEMOKRATIKE journalist as to whether the difficulties in relations between the EU and Albania—which he mentioned in his report—referred to the blocking of aid by Greece. He said: "Although the EU is indivisible and decisions are approved only by unanimous vote, there was a blocking and there was a reaction to the immediate granting of 18 million ECU, which would take place on the basis of a report that the commission would send to the Council of Ministers in regard to the current situation in Albania."

[RILINDJA DEMOKRATIKE journalist:] The Albanian government is implementing reform based on a program prepared in collaboration with the IMF. Some people think this is not the road Albania should follow. What is your opinion?

In response to the second question of the RILINDJA DEMOKRATIKE journalist, Germano said economic reform cannot be achieved if we do not start from a macroeconomic principle for the budget. Therefore, this program that has been prepared in collaboration with the IMF is essential. This is the basis for everthing that will happen later.

When asked about the commission's decision to prohibit the export of food from Albania after the outbreak of cholera, Germano explained that this decision has been rescinded and that the prohibition is in force only for seafood products.

The Albanian-TV journalist was interested in the way in which EU assistance to Albania was monitored, and whether or not it went for the purpose for which it was intended.

In this connection, Germano said: "Of course it goes where it is supposed to go. There are some controls. I am a European Commission monitor and the Court of Accounts is another monitor. There are always controls during specific phases. There are specialists who verify that the funds are used properly."

Germano answered other questions, about the agreement of association that is expected to be signed between Albania and the EU and about the assistance the EU gives to investors who come to Albania.

At the end of the conference, Elio Germano, EU ambassador in Tirana, wished the journalists happy holidays.

Economy's 1994 Performance Reviewed, Detailed

AU0601131595 Tirana LAJMI I DITES in Albanian 31 Dec 1994 p 1

[Report signed "A. GE": "1994: The Year of the Consolidation of a Market Economy in Albania"]

[FBI Translated Text] The end of 1994 marks a new level in the consolidation of democracy and a market economy in Albania. Despite numerous difficulties, GDP growth of 8 percent was achieved this year, and inflation fell from the 400 percent mark of two years ago to 16 percent, exceeding even the IMF forecast. There was a 30 percent growth in exports, at a time when import values remained the same. Income from customs duties grew 50 percent. Saving deposits increased by between 70 and 80 percent compared to 1993, and are an indication of growing well-being. Investment nearly tripled in 1994. In the course of the year, 2,500 small- and mid-size enterprises were privatized, and their value was twice that of enterprises privatized last year.

The inherited outdated technology led to an 18 percent decrease in industrial production during the third quarter, compared to the second quarter. The regressive trend in production was most obvious in the refining, leather, and metallurgical industries. There was a drop in the production of all petroleum by-products because of the overhaul of the Balsh Oil Refinery. In certain branches, however—such as the mining industry of non-energy products and the food and chemical industries—a stationary production growth trend was witnessed. The mining of non-energy products marked a growth of 4.2 and 26 percent as compared to the first and second quarters of 1994 [figures as published]; chromium extraction grew by 19 and 15 percent. A growth rate of 88 percent has been achieved in the chemical industry.

The volume of imports in consumer goods has grown considerably compared to the average in 1993, despite fluctuations for particular goods. In the domestic currency market, the stability of the lek versus foreign currency has been witnessed. The lek's lowest exchange rate was 89.40 leks to the dollar and the highest was 95.80 leks to the dollar. In the sphere of agricultural and livestock production, obvious achievements are gradually being consolidated thanks to the free initiative of private farmers, whose number has reached 400,000. The growth of agricultural and livestock production can be seen not only in the fact that these farmers meet the primary needs of their families, but also in that they have become a supply source for the population of the main towns. Recently, 30 private Albanian firms in Tirana displayed their agricultural and livestock products, which have already began to compete with imported products in their quality.

Despite everything, the Albanian economy's achievements would have been still greater had there been an infrastructure more adequate to cope with the free initiative of the population. Billions of dollars are required to rejuvenate the entire, crippled, infastructure. This year, 1.828 billion leks were spent toward that end. The present situation in our banking system is unacceptable. The banking system is incapable of putting into investment circulation the billions of leks deposited by the population. What matters most is the fact that new targets have been set for the next year not only in the field of privatization but also in further consolidating the market economy reform.

KSHH Suggests Nano Be Released From Prison

AU0601141995 Tirana ZERI I POPULLIT in Albanian 28 Dec 94 p 1

[Albanian Helsinki Committee Declaration: "Mr. [Fatos] Nano's Release Would Serve To Improve the Image of Albanian Democracy"]

[FBIS Translated Text] At the request of the delegation of the Committee of Interparliamentary Union on a visit to Albania, three of its members met a representation of the Albanian Helsinki Committee [KSHH] on 21 December 1994. The reason for the delegation's visit to Albania was the Nano issue, which for months now has roused this committee's concern and become a subject of inquiry.

The KSHH was already acquainted with a report by the Committee of the Interparliamentary Union that, after providing a historical survey of the issue, concludes by formulating a series of remarks and expressing reservations regarding the way this problem has been handled, both juridically and politically.

The KSSH supports the remarks and reservations contained in the said report. For some time, the matter necessitated reflection and procedural measures, until the entire cycle of rendering justice in all its aspects could be completed. However, the long period that has passed since the verdict against Mr. Nano was rendered has revealed not only several procedural irregularities but also a remarkable lack of necessary evidence that might determine beyond any doubt his direct involvement in the crime. Today, after a long period of time, the verdict sounds unconvincing.

The KSSH is of the opinion that it would not be a simple case of turning this matter into a sterile discussion on Mr. Nano's guilt or non-guilt. The first step should be Mr. Nano's release from prison without prejudice. This falls within presidential jurisdiction—at least at this stage.

Such a measure is doubly important and indispensable. First, nobody—regardless of who he may be—should be abandoned to his fate to suffer a punishment that an ever larger body of opinion considers unjust and groundless. Second, Mr. Nano was and still is the leader of the biggest opposition party. His release would be a message serving to ease tensions and narrow the gap that currently divides the political forces. It would create a more favorable and constructive climate for resolving the great and crucial problems with which our country is faced at the moment. Tolerance and dialogue must be more present in our politics. Mr. Nano's release would serve to improve the image of Albanian democracy in the world.

[Signed] The Albanian Helsinki Committee

[Dated] Tirana, 27 December 1994

REPUBLIKA Chief Editor Rakipi Resigns

AU0801144695 Tirana Radio Tirana Network in Albanian 1430 GMT 5 Jan 95

[Report by Aurela Nomani]

[FBIS Translated Excerpt] For approximately three years, REPUBLIKA has carried a banner citing 35-year-old Ylli Rakipi as its editor-in-chief. The newspaper today published a letter by Rakipi in which he announces his resignation from the number one post at REPUBLIKA. Since we were unable to contact Mr. Rakipi today, we have referred to his letter to learn about the causes of his resignation.

Chief Editor Rakipi writes: I have decided to do this, for a great and important but also quite common reason. I have believed, and continue to believe, that REPUBLIKA has helped the Republican Party [PR] as much as a newspaper can help a party. At the same time, however, the parties are like a noose around the newspapers' necks.

While not completely agreeing with Rakipi's idea, PR Deputy Chairman Fatmir Mediu expresses some positive thoughts about the chief editor who has just left. [passage omitted]

Other sources also conveyed the same impressions when they talked about disagreements with chief editor Rakipi and the main party leaders. Rakipi says in his letter: It is up to the party chiefs to create a lot of space for their newspapers.

Various observers relate the resignation of REPUBLIKA's chief editor with the fact that the PR left the governmental coalition. Mediu, however, rejects this idea and said for Tirana radio that the REPUBLIKA debate was not one of the contentions that emerged after the party left the governmental coalition. [passage omitted]

Nevertheless, as of today, REPUBLIKA will not bear the signature of Ylli Rakipi. Another journalist seems to be taking his place. As the paper's deputy editor-in-chief, Lufti Dervishi seems to be leading one of the most authoritative Albanian papers in the world toward new horizons.

Trade Representations Restored in 79 Countries

AU0801165595 Sofia TRUD in Bulgarian 29 Dec 94 p 7

[Report by Diana Yanakieva]

[FBIS Translated Text] According to a decree published in DURZHAVEN VESTNIK, Bulgaria will have trade and economic offices [TEO] in 79 countries. The decree states that 125 people will be on the foreign payroll in the TEO's in our diplomatic and consular representations throughout the world. They will be answer directly to the minister of trade, but the Foreign Ministry will have a say in the competitions for appointing trade and economic counselors.

TEO's are being opened in 21 former socialist countries, including Russia (Moscow, St. Petersburg, and Syktyvkar), Ukraine (Kiev and Odessa), Poland, the Czech Republic, Cuba, the DPRK, Vietnam, and China. We are opening TEO's in 17 countries in Central Europe, the United States, Canada, and Israel. In Germany, we will have trade counselors in Berlin, Bonn, Munich, and Frankfurt. We will also reestablish our old economic links with 26 countries in Africa, Australia, and Asia—including Iraq. Bulgaria will send its representatives to six countries of Latin America and nine countries in southeast Europe, We will have trade representations in Albania, Greece, Turkey, Yugoslavia, Macedonia [The Former Yugoslav Republic of Macedonia], Slovenia, Croatia, and Bosnia-Herzegovina.

The TEO's were closed down when the Ministry of Foreign Economic Relations was eliminated under Filip Dimitrov's first administration. Experts comment that their restoration, leading to the reestablishment of our old trade and economic links, will in the future be regarded as the greatest service rendered by Kiril Velev, the current trade minister.

Former Defense Plant Producing Medical Equipment

95P20349A Sofia TRUD in Bulgarian 22 Dec 94 p 6

[Article by Plamen Georgiev: "Former Military Factory in Shumen Produces Medical Instruments"]

[FBIS Translated Text] The former military factory located in Shumen, now known as "Shumel" OOD [limited liability company], has begun to produce medical equipment for Bulgarian and foreign medical institutions. The company is making two apparatuses that are absolutely essential for any hospital. The first of these is a powerful, high-frequency device for electrodesiccation and electronic cauterization for use in abdominal surgery, gynecology, and dermatology. The second apparatus is a portable monitor for express reading of blood pressure and pulse rate, and incorporates electrocardiograms. It is designed for use in the hospital environment and where additional external power sources are absent, since it has its own reliable, built-in battery.

Airlines Disputing Number of Weekly Flights

AU0801165195 Sofia 24 CHASA in Bulgarian 29 Dec 94 p 5

["24 CHASA" staff report]

[FBIS Translated Text] Informed sources reported yesterday that Olympic Airlines of Greece will be flying to Sofia without any problems before 30 December. According to these sources, Balkan Airlines is inclined, as an exception, not to stop its neighbors' flights—and informed its partners yesterday by fax. The Balkan Airlines press center has announced that the chiefs of the two airlines will meet immediately after the new year to resolve the dispute.

The two national airlines quarreled over the number of winter flights between Sofia and Athens and exchanged mutual threats to stop their flights as of yesterday. According to Balkan Airlines, Olympic wanted to make four flights per week to Sofia. This, however, would contravene the aviation agreement between the two countries, which allows only three flights weekly. Olympic claims that the agreement provides for reciprocity of flights, without specifying the number. At present, Balkan Air makes three flights weekly to Athens and one flight to Cairo via Athens. The Bulgarian planes have reportedly carried more passengers than the four Olympic flights to Sofia. The Greeks, however, had more lively traffic than Balkan Airlines, because their flights were at more convenient times.

The Balkan Airlines press center refused to discuss with us the joint operation of the Sofia-Athens route and the sharing of profits between the two carriers.

Olympic reportedly pressed strongly for the fourth flight because it was preparing to open a route to Belgrade via Sofia. Aviation experts claim that Balkan Airlines also applied for the flight to Yugoslavia, but believe it has less chance.

Yesterday's lunchtime Olympic Airlines flight touched down in Sofia two hours late. Passengers were told that the Sofia landing permit is in the course of being arranged.

The Balkan Airlines press center denies they are at war with Olympic Airways. It pointed out that Balkan Airlines cannot cancel the rights of other airlines to fly to Sofia, since this matter lies within the competence of the State Air Navigation Inspectorate.

President Seen To Be Espousing Opposition Views

AU0601125195

[FBIS Editorial Report] Prague DENNI TELEGRAF in Czech on 3 January and Prague LIDOVE NOVINY in Czech on 4 January publish commentaries on President Havel's New Year's address, both of which point out that the views expressed by the president were closer to those of the opposition than to those of the government. The progovernment DENNI TELEGRAF even qualifies the president's "visions" as "dangerous" and the entire address as a "warning signal."

Prague DENNI TELEGRAF in Czech on 3 January on page 3 carries an 800-word Dusan Sramek commentary entitled "Havel's Speech Is a Warning Signal." Sramek opens the commentary by saying: "It is scarcely possible to perceive Vaclav Havel's New Year's address other than as an expression of the fact that the president increasingly manifests himself as a classic left-oriented intellectual living in his own aberrant world of preconceived notions, to which he would like to graft reality. The fact that the president presents his visions to the nation as though they were absolute and the only correct ones makes them all the more dangerous. The problem is not so much whether the specific arguments that Havel used in his speech belong to the political arsenal of the Czech left or to some right-wing parties. Rather, the problem is that he is not able to perceive the internal complexity of individual phenomena, but only their external wrapping, into which he packs general cliches and platitudes devoid of content."

The most striking expression of Havel's views, Sramek continues, was to be found in those passages in which the president criticized parliament's failure to adopt laws on money-laundering, conflict of interest, nonprofit organizations, as well as some restitution laws, and in the president's criticism of the failure to establish the Senate and higher administrative units. Rejecting the president's criticism, the commentator points out that the legislation in question is either being worked on or the issues are so complex that it takes decades before political consensus can be reached on them anywhere in the world. Sramek wonders whether "in expressing his specific doubts about the work of parliament, Havel is not actually expressing his own doubts about representative democracy and the role of the state in a free market society."

Moving on to the president's comments on the work of the government, Sramek draws attention to the president's "call on the government to adopt specific political and philosophical programs for individual spheres of social life" and his call for "decisions stimulating the economy." In his opinion, these comments revealed Havel's "classic attempt to curtail the traditional principles of division of state power and introduce principles of direct democracy."

Summing up, Sramek says: "The question is to whom Havel actually addressed his speech. Hardly to the nation as a whole. It seems, rather, that it was addressed only to that part of the population that is, in one way or another, dissatisfied with present developments. It is as though Havel identified with the views of the dissatisfied section of the public and tried to become its ideological leader. If this is really the case, it is very important but, first and foremost, it is a warning signal."

Prague LIDOVE NOVINY in Czech on 4 January on page 5 carries a 700-word Premysl Svora commentary on Havel's New Year's address entitled "Coalition, Opposition, and Vision." According to Svora, "in the president's New Year's address, the unexpressed conviction that there is something wrong with the present political and moral state of society could be perceived. In his critical thrust, Havel failed to point out both the unquestionable positive bent of the whole of society and the positive things the government coalition has managed to get done over the past year. Although Vaclav Havel proceeds from different values in his speeches than does the Czech opposition, in his assessment of the state of society he is closer to the views of the opposition than to those of the governing parties." In this context, Svora also mentions "the dexterity with which the opposition adopts Vaclav Havel's moral judgments as its own and uses them as a clever apron behind which it hides its own residual socialist relapses."

Aspects of Admission to European Union Debated

95CH0081B Prague PRAGUE POST in English 13 Dec 94 p 9

[Article by Eva Munk and Quentin Reed: "Skeptics Debate the Wisdom of European Union Admission"]

[FBIS Transcribed Text] As knights of the Round Table once searched for the Holy Grail, Czech statesmen today are pursuing admission into the European Union. But a few errant economists are skeptical about the true benefits of membership in this exclusive club of nations.

Many wonder if it would not be wiser to follow the example set this week by Norway and opt out for the moment. In a national referendum November 28, Norwegians voted 52.5 to 47.5 percent against joining the union.

The Czech dissenters think that all possible benefits were already accomplished with the 1993 signing of an association agreement, which created a structure for free trade between the EU and the Czech Republic.

"The first phase (the association agreement) respects the full sovereignty of the states," said Economy Ministry counselor Petr Zahradnik. "The next phase (economic and political unification) does not. It assumes that the member states will give up their political and economic sovereignty. Certainly what has been accomplished so far—the elimination of unnecessary trade barriers—has been beneficial, but one wonders if it is wise to go beyond that."

According to the Maastricht Treaty, member states agree to strive toward complete integration in all areas, including those of economy, politics, defense and the judiciary by 1999.

But Zahradnik and a growing number of vocal Czechs believe that in a financial union, it is possible that instead of improving the economies of all of the members, the entire union will sink to the lowest common denominator.

"It is possible that the inflation and slow development of the undisciplined members will threaten the stability of prices and investments in the more stable ones," Zahradnik said.

Euro-skeptics got some moral support last month from British parliamentarian Bill Cash, a long-time critic of the EU, who came to Prague to address the CEO Institutes on the "rush to the West" among Central European countries.

Cash noted that differences between levels of economic development between Western European countries—such as upscale Sweden and still-struggling Greece—are already creating political tensions within the existing EU.

The integration of countries with much lower levels of development would lower the amount of "structural funds" available for the poorer countries in the Western European bloc, he told an audience of around 100 Western and Czech business executives and government officials.

Even worse, he said, independent economic analysis suggests that the integration of the Visegrad countries—the Czech Republic, Poland, Hungary and Slovakia—would cost a full two-thirds of the total EU budget, which would reduce the size of the economic pie even further.

Like Cash, Charles University Economic Faculty professor Martin Mandela finds the notion of a financially united Europe politically unrealistic.

"The only way Europe could accomplish economic unity is through a strong federal government and a central bank, and I consider this to be politically impossible," he said.

In a financial union, the fiscal agenda would have to be set by the economically stronger countries, which could afford higher unemployment and lower economic growth. The unfavorable effect on the weaker countries would necessitate an interstate redistribution of funds, which would quickly turn into a political problem.

"I don't think a Danish citizen would be very happy to see his state's money going to Greece," Mandela said. "I don't think citizens (of different European countries) have the same feeling of integration based on common culture as do, for example, the northern and southern Italians."

Mandela compared the second phase of the EU to grandiose Comecon plans in which various relationships based on a single central bank and several national banks were envisioned, but none materialized.

"I am personally skeptical about monetary unification. I think it is a sort of utopia," he said.

Even EU Commission member Sir Leon Brittan, who came to Prague for a roundtable discussion on the EU November 21, said the relative powers in any European federation have become a major bone of contention within the EU negotiations and will be one of the leading subjects in the Intergovernmental Conference on the EU, planned for 1996.

In a roundtable discussion with Prime Minister Vaclav Klaus, Brittan said that the new sentiment in the commission is that interference on a national level should be avoided, and that the union should instead strive to "only do things that the EU can do and that none of the member states can do on their own."

Despite his own initial skepticism about the EU, Klaus announced that the government intends to apply for membership in 1996—but only with the idea that it will be "integrated" into the rest of Europe rather than becoming part of a strict economic and political union.

"There is a difference between integration and union," he said. "The feeling of national identity in the Czech Republic is stronger than it was after the Velvet Revolution, and this has become a source of debate. But the absolute unionist approach in the EU is over."

Laws To Meet European Union Requirements

95CH0078A Prague PROGNOSIS WEEKLY in English 7 Dec 94 p 8

[Article by Hana Lesenarova and Robert McLean: "Membership in EU Will Hinge on Law Reform"]

[FBIS Transcribed Text] Despite the Czech Republic's economic success, the country still needs to perform serious surgery on its laws before it will be welcomed into the European Union, an EU spokesman said.

EU commission member Leon Brittan said November 22 that adjusting the Czech legislation to EU regulations will be one of the most serious problems related to the Czech Republic's joining the EU.

Brittan also informed Premier Vaclav Klaus that a detailed version of the so-called White Papers—a list of conditions required for EU entry—will have to be presented. Klaus confirmed November 9 his desire for the Czech Republic to enter the Union by 1999 and pledged that the government would officially request membership in 1996.

Czech officials, including Foreign Minister Josef Zieleniec, agree that up to 50 percent of Czech laws need to be modified to EU standards. But Zieleniec is so confident of EU compatibility that on November 17 he drew a timeline for establishing new institutions and committees for the country's EU integration. He is already discussing a possible country-wide referendum for Czechs to decide on EU membership.

Deputy Foreign Minister Pavel Bratinka wrote in a statement that the compatibility of Czech legislation with the EU varies from 20 to 90 percent, depending on the ministry. As Bratinka explained, Czechs are stumbling behind due to "either missing legislation or outdated regulations." He compiled a list that contains 10 main areas of legislation where Czech law lags behind the EU.

Bratinka pointed to the country's lack of a law on money laundering. In its November 16 session, Czech ministers couldn't resolve the arguments of the past year and again failed to pass a laundering law.

In addition, most of the EU technical regulations are not present in Czech legislation. In the labor code, many rules on employees' rights are missing. Agriculture law also needs an overhaul—the Czech Republic has no program for the reduction of agriculture or ecological soil usage.

Jan Cerny, the chair of the parliamentary agriculture committee, said a package of EU-compatible agriculture laws should come to Parliament in the first half of 1995.

Also standing in the way to integration are loopholes in laws pertaining to waste disposal and commercial companies, specifically concerning their start-up. A hole in copyright legislation was recently exploited when Martin Nemec, brother of Czech minister Igor Nemec, registered for himself many well-known trademarks, including those of Toyota and Rolls Royce, and put them on his sewing machines to help sell them.

Czech lawbooks also lack regulations for civilian air transport, ocean transport and smuggled goods, Bratinka noted.

Stanislav Gross from the Czech Social Democratic Party estimated it will take at least two years for Czech laws to reach EU standards, "but it will depend on how the government manages this because they present all the legislation to Parliament."

Treatment of Gypsy Population Questioned

95CH0078C Prague PROGNOSIS WEEKLY in English 7 Dec 94 p 5

[Article by Randall Lyman: "Mixed Reviews: A Human Rights Report on the Czech Republic"]

[FBIS Transcribed Text] After years of look-mom-no-hands crowing about its lead in the East European sprint toward the West, the Czech Republic has lately caught Western attention more for being one of the region's leading human rights violators.

Since mid-summer, the fallout from the two-year-old Czech citizenship law has exposed entrenched racism in the state bureaucracy and rekindled concerns over widespread racial violence and ostracism of the country's 300,000-strong Romany minority.

International human rights organizations have taken a keen interest. The Council of Europe (CE), the Helsinki Citizens' Assembly, the Conference on Security and Cooperation in Europe (CSCE), and the U.N. High Commissioner for Refugees are all either calling for the law's amendment or tracking its implementation.

Although there are no official statistics, an estimated 100,000 Romanies who were citizens of Czechoslovakia (which split on January 1, 1993) have been left stateless by the law, whose retroactive residency and clean criminal record requirements have mixed badly with high rates of Romany migrancy and frequency of arrest. The deadline to apply for Czech citizenship was June 30.

The paper-filled application process, which puts the burden of proof on applicants, has often been scrambled by district officials who knowingly gave Romany applicants false information or simply told them to get lost. Many lifelong residents of the Czech Republic have been left without even the residence permits that entitle them to public education, health care and other benefits.

In a still-unresolved corruption case in Karvina, north Moravia, some 200 Romanies were stripped of their Czech citizenship after it had already been granted, an action experts have called a blatant violation of the Czech Republic's promise to the CE that no one would be deprived of citizenship against their will.

Premier Vaclav Klaus and his cabinet, however, say there's nothing wrong with the law, a stance that has only exasperated Romany leaders and human rights activists.

According to Bela Edginton of the Civic Solidarity and Tolerance Movement (HOST), the Czech delegate at a recent CSCE conference voiced a typical government attitude. "He said he hoped HOST's monitoring would improve the situation," Edginton said. "Well, that's very nice, but what are the Czech authorities doing?"

In October the joint CSCE committee of the U.S. Congress issued its first comprehensive human rights report on the Czech Republic since 1988. While praising the country's overall human rights progress, the 32-page report took repeated aim at the government's stubborn and illogical defense of the law.

The committee's chairmen then sent a detailed letter to Klaus urging amendment of the citizenship law, saying that it violated international human rights agreements and had caused the greatest mass revocation of citizenship since World War II.

Klaus, however, shrugged off the letter, calling it unofficial and thus not meriting an official reply. "Tens, if not hundreds, of letters come to my desk every day," he said.

"We're less concerned with how quickly we get a response than with the quality of the response," said Erika Schlager, the committee's counsel for international law, about Klaus' reaction.

"Generally, the Czech Republic has received admiration for its overall record on human rights," the congressional report states, citing among other things the lack of political prisoners, the holding of free and fair elections, broad press freedoms, and the development of judicial review.

"When you look at countries like Sri Lanka, the Czech Republic doesn't even make the list," Schlager said.

What sets the Czech Republic off from neighboring Poland, Hungary and Slovakia, according to the report, is the ill treatment of its Romany population. According to informed sources, human rights concerns in these other countries usually focus on media regulation, or, in Slovakia, on the language and education rights of its large Hungarian minority.

None of these countries, however, matches the Czech Republic for racial violence—not just against Romanies, but Vietnamese, Arabs, even dark-skinned Bulgarians mistaken for Romanies.

HOST has documented about 70 racially-motivated attacks this year alone, out of some 320 since 1990. Fourteen attacks resulted in death.

"We just can't keep up with the cases," said Edginton, adding that many attacks go unreported because Romanies "know the evidence will be used against them. The police take their testimony and then charge the Romanies themselves with a crime."

Hana Fristenska, head of the government's Council for Minorities, pointed out that such overt racism is in fact illegal. She conceded that anti-racism laws might sometimes be unenforced or even violated by local officials, but emphasized that the Interior Ministry has made clear its readiness to intervene.

"Just give us specific cases and the names of these bureaucrats," she said, voicing the ministry's position, "and we guarantee you the case will be investigated and these officials will have problems."

"The laws against racism were never used (under communism)," she said. "Now they are starting to be."

What local activists and political leaders do agree on is that dealing with racism is an intricate and long-term process that cannot be solved by simply amending one law. Still, it's the citizenship law that remains the focus of international attention.

CE Deputy Secretary General Peter Leuprecht visited Prague in early November and won Vice Premier Jan Kalvoda's consent to let a CE commission study the law and make recommendations.

A similar approach was taken with Estonia and Latvia, Leuprecht told PROGNOSIS WEEKLY.

"The presidents of both countries had doubts (about their citizenship laws)," he said. "They asked the CE for an expert study, sent the laws back to Parliament, and changes were made."

But such a scenario is hard to imagine here.

"The political will to amend this law does not exist. The law simply will not be amended," said Fristenska, adding that the government has already compromised via an Interior Ministry order that authorized long-term residence for affected Romanies "without any further conditions" as a step toward eventual citizenship.

Nor is there much spark left in Parliament since the Constitutional Court rejected on September 13 a challenge to the law by 42 opposition deputies, finding it "in no way discriminatory."

Even Havel, whom many had hoped would come out strongly for amendment, said that while the law has created "serious problems," it "genuinely does correspond to analogous laws in other states. I do not think amending it somehow is at present a burning question."

Fristenska said that politicians' ability to act is limited because "If society doesn't feel racism is something destructive or horribly dangerous, there won't be much political will in the Cabinet or Parliament either."

Public attitudes are fairly clear. According to polls cited by both HOST and the CSCE committee, 85 percent of Czechs do not want Romanies as neighbors, believing that Romanies themselves provoke hostility and pursue lifestyles incompatible with Czech society. Faced with rising street crime, which most Czechs blame primarily on Romanies, many communities are coming up with their own "solutions."

"The success of (our) entire security program is directly dependent on whether we are able to solve, at least partially, the problem of unadaptable citizens," reads the campaign platform of the Kladno branch of the Civic Democratic Party (ODS), the Czech Republic's most powerful party, which is headed by Premier Klaus.

The ODS polled one quarter of the votes cast in statewide municipal elections November 18-19, and won nine of the 33 seats in Kladno's town assembly. Kladno has planned the construction of Romany enclaves that critics say are designed more like prisons than housing solutions.

"(If) we want to take effective preventive action against these citizens, it is necessary to concentrate them in small communities," the ODS platform continues. "It is not possible to influence positive change in the lifestyles of these people as long as they are spread out and registration of them is still far from complete."

Miroslav Slanc, the Kladno ODS member who crafted this platform plank, offered only the usual reasons given for such measures: the high rates of unemployment, crime, apartment devastation, welfare dependency and migrancy among Kladno's Romanies, as well as their lack of education and "proper values."

"It's necessary to respond systematically," Slanc said, so that Kladno's other citizens "can have a minimal chance of living in peace."

"There is not enough available housing. New apartments must be built in any case," he said, adding that the planned Romany enclaves would have their own schools, labor offices, child care and other public services, and would thus benefit Romanies even more than other Czechs.

Other cities with large Romany populations like Ostrava, Most, Usti and Labem and Teplice are considering similar programs, hampered mostly by a lack of money.

ODS's national security policy calls for "increasing the jurisdiction of communities in ensuring public order," and the ODS central office in Prague declined to comment on the Kladno program.

Fristenska said she believes the country's citizenship problems will, with a few extreme exceptions, iron themselves out by mid-1995 simply because the situation can't remain tenable for long. Statelessness is "a terrible problem not only for (the Romanies) themselves, but for the state administration," she said.

Typically, it was Havel who articulated most clearly a view that is gaining ground on all sides. The citizenship debacle "is a question of practice rather than of law," he said, accusing local bureaucrats of frequent incompetence and prejudice and calling upon the state to give its administration a human face.

"It is simply necessary," Havel said, "for the starting point to be helping these people, rather than taking the law as a pretext to cause people difficulties."

"Changing people's attitudes is one of the primary considerations," said Edginton, but this requires "a commitment by the government against intolerance. It has to be made public."

In Fristenska's view, however, "non-governmental organizations like HOST have a unique opportunity to blaze a new path," to set a powerful precedent by, for instance, hauling a public official before the courts, "simply taking one of these (racism) cases to its conclusion."

Edginton agreed, but added that documenting cases is rarely easy: "In many cases we have nothing but hearsay."

Many leaders believe that monitoring the state should be the state's own chore. Havel has called for the creation of an ombudsman's office, a common European institution, to handle civil rights complaints against the state, but so far the issue has sparked little discussion.

Such complaints are now dealt with separately by the president and premier, the Supreme Control Office and Parliament's petitions and human rights committee. "It's a bit of a goulash," said committee Chair Josef Pavela.

"The objection to the ombudsman is that in a state ruled by law it is unnecessary," he said. "But we are not a state ruled by law yet. We are still not the democracy we want to become."

New Privatization Chief Designated

95CH0078B Prague PROGNOSIS WEEKLY in English 7 Dec 94 p 2

[Article by Hana Lesenarova: "Minister Has Ties to Multiple Pies"]

[FBIS Transcribed Text] Vladimir Rudlofcak is a man with fingers in many pies. As deputy Finance Minister he is a state employee.

He has also been designated to take over for Jaroslav Lizner, the former director of the Center for Coupon Privatization and the Center for Securities, who was arrested October 31 on suspicion of taking an 8 million Kc bribe in connection with the second wave of coupon privatization.

What's more, Rudlofcak sits on the supervisory board of Czech Savings Bank, the fourth largest shareholding company in Central Europe. As a supervisory board member, Rudlofcak is entitled to "control the operation of the board of directors and the implementation of enterprise activities of the company" according to the company's book of rules. He is also "entitled to see all company documentation and books."

In the club of Western democracies, which leaders of the Czech Republic say they very much want to join, such an arrangement would likely be viewed as a breach of conflict of interest regulations.

"The Center for Securities is in fact just an extended hand of the Finance Ministry and I don't see any conflict there," said Jana Vesela, director of CS First Boston Investicni Spokecnost, an investment company, of Rudlofcak's dual role as finance deputy and privatization chief. "But in the second case (when he is also a member of supervisory board of a shareholding company) I can see the conflict."

But Czech government officials say they do not believe there is anything wrong with Rudlofcak being employed and paid by the state, by the two centers and also by a shareholding company, despite the fact that he has access to sensitive information from all four institutions and is in a position to influence events with which they are involved.

"Principally there is nothing wrong with it," said Ludmila Nutilova, the Finance Ministry press spokeswoman. "(State officials) can sit on boards of directors. They can be on a supervisory board as long as they don't get paid for that."

But members of the supervisory board at Ceska sporitelna, including Rudlofcak, receive honoraria for their time, said CS press spokesman Pavel Jirousek.

Even so, Jirousek didn't find anything wrong with Rudlofcak's membership on the supervisory board either. "The National Property Fund is our major share-holder and therefore he is there," he said.

Given the fact that the Czech Republic has failed to pass an effective law on conflict of interests, it has become common knowledge in the country that there are more state officials working for private companies than just Rudlofcak.

So far, however, the only blast of criticism has come from Parliament. In the second half of November a group of 69 parliament deputies met with Parliament Chair Milan Uhde to call a special session to discuss the Lizner coupon privatization and the people involved in it.

In addition, Uhde said he was planning to propose a conflict of interest law after two previous versions by the Social Democrat and Civic Democratic Alliance parties were rejected by the leading Civic Democratic Party.

Jozef Wagner, the budget committee representative for the Social Democrats who initiated both the special session and the proposed conflict of interest law, scolded coupon privatization authorities for allowing government officials to sit on several influential chairs at the same time.

But he said that there is not much that can be done in cases like Rudlofcak's, "because if the National Property Fund is still the main share-holder, the state considers it almost obligatory to have its representative at the supervisory board."

Kc11.2 Billion 1994 Budget Surplus Reported

*AU0601144295 Prague LIDOVE NOVINY in Czech
3 Jan 95 p 1*

[Article by "ip": "Budget Surplus Exceeds 11 Billion"]

[FBIS Translated Text] Prague—The management of state finances ended with a surplus of 11.2 billion korunas [Kc] as of 31 December 1994, Eduard Janota, director of the Ministry of Finance State Budget Department, told LIDOVE NOVINY yesterday.

Budget revenue reached Kc389.5 billion by the end of last year, Kc7.7 billion more than the Ministry of Finance originally expected. State Treasury expenditure, on the other hand, totaled Kc378.3 billion and thus fell Kc3.5 billion short of the expenditure envisaged in the budget approved by parliament. According to Janota, the size of the budget surplus should no longer change significantly.

The Czech National Bank [CNB] considers the state budget surplus to be of significant help in the struggle against inflation. CNB Spokesman Martin Svehla is confident that the surplus will be used discreetly, without inflationary impact.

Second Gas Pipeline From Russia Proposed

*95CH0081A Prague PRAGUE POST in English
13 Dec 94 p 3*

[Article by Maggie Ledford Lawson: "After Gas 'Vanishes' in Ukraine, Czechs Seek Another Pipeline"]

[FBIS Transcribed Text] The Czech government, concerned by the disruption of the pipeline that supplies 95 percent of the republic's natural gas, opened talks with Moscow December 3 on construction of a second pipeline.

The new pipeline, like the existing system, would originate in the vicinity of Jamal in Russia, but it would bypass Ukraine, where the existing line is considered most vulnerable, said Josef Hurka, a management adviser at the Ministry of Trade and Industry.

If the project moves forward, it will cement ties with Russia as the central source of the Czech Republic's vital energy needs, a prospect that appears to be drawing little overt opposition in spite of the troubled relationship between the two nations in the recent past.

"We wanted to be politically independent from the Russians, but this isn't politics—this is business," Hurka said.

Hurka said there is good reason for rerouting a pipeline to avoid Ukraine. Political tensions between that country and Russia, as well as domestic economic problems, are a source of concern for the Czech Republic and other pipeline users, including Poland and Germany, he said.

Gas routed through the pipeline doesn't always reach its intended destination, Hurka said.

The natural-gas pipeline issue appeared not to have come to the attention of Jurij Redkin, chairman of the trade council at the Ukrainian Embassy in Prague.

"No problem exists" with the flow of natural gas through the pipeline in Ukraine, Redkin said, adding, "I would be in a position to know."

The new route would proceed west to Minsk, the capital of Belarus, past Warsaw and into Germany, terminating in Frankfurt, where it would hook up with existing lines, Hurka said.

The purchase of Norwegian gas also remains a possibility, but it is up to 20 percent more expensive than gas from Russia, he said, and would also require new lines, since gas in the present system flows in the opposite direction. The Czech Republic uses about 8 billion square meters of gas annually, and demand is predicted to rise to 10 billion square meters by the year 2000.

Still, Hurka said, the Ukrainians use more gas than they're entitled to, especially in the winter. "That means we have to use underground storage," he said.

The Czech Republic has natural-gas reserves for 30 days, and so far, the supplies have never been completely depleted. But on a number of occasions, between 14 and 21 days' worth of the reserves have been used, he said.

Hurka said the Czech government started tentative exploration of the second pipeline project about a year ago. But exploration slowed after Leonid Kuchma became president of Ukraine, as it was thought that he might deal with the issue of his country's use of an overabundance of gas.

Ivan Pantelejev, head of the Russian trade office in the Czech Republic, said his country has an agreement in place for the pipeline to go through the northern part of Poland. The Russian government "won't object" to the Czech Republic's participation in the project, he said, but the "terms should be favorable to us."

The Ministry of Trade and Industry's Hurka said the Czech government is offering technology and material for the pipeline, but he added that other contributions may be necessary.

"I believe the Russians will require some kind of loan," he said. No estimates of the cost of building the pipeline are possible, because the route hasn't been settled, but by all accounts it will be costly.

At the same time, a major step has been taken to improve the oil supply to the Czech Republic. The government of the German state of Bavaria officially approved the construction of a pipeline from the German town of Ingolstadt to the Czech town of Kralupy.

The Czech government has lobbied heavily for the construction of the pipeline as an alternative to pipelines from the former Soviet Union, on which the Czech Republic currently depends. The Bavarian Ministry of Labor, which was responsible for evaluating the project, gave the final approval November 30, after 17 months of deliberations.

The project has been opposed by German environmentalists and owners of property that the pipeline will cross. In a press release issued November 30, Bavarian Labor Minister Barbara Stamm argued that if supplies from Russia were to decrease, oil would have to be delivered to the Czech Republic by trucks from the West, which would be more harmful to the environment than the pipeline would be.

Army To Return to More Drill, Discipline

AU0601142995

[FBIS Editorial Report] Prague MLADA FRONTA DNES in Czech on 29 December on page 1 carries a 400-word "km"-signed report entitled "Conscripts on Guard Duty Will Not Shoot." The report, which is based on an interview with Major General Jiri Nekvasil, chief of the Czech Army General Staff, deals with planned changes in "guard duty," following recent fatal injuries among soldiers and thefts of weapons and equipment from the Army's arsenal. On the same day, on page 2, Prague MLADA FRONTA DNES in Czech carries a 1,000-word interview with Jiri Nekvasil by Jaroslav Kmenta entitled "We Must Return to a Tougher Regime, Claims General Nekvasil" and dealing with the need for more drill and discipline in the army.

The place and date of the interviews are not given.

The front-page report on the interview with Nekvasil states that "in response to the injury of several soldiers on guard duty this year and the unique theft of weapons from a guarded facility of the Ministry of Defense, the Army command intends to introduce fundamental changes to guard duty." One of the changes, Nekvasil is quoted as having said, is that, henceforth, soldiers undergoing basic military service performing guard duty will be allowed to shoot only in self-defense. "Should someone attempt to violate a guarded area, conscripts will merely notify a special commando, which will take action against the thieves or terrorists." No decision on where exactly such professional commandos will be set up has been made yet, the report says. Explaining the decision, Nekvasil says that it is "very difficult" to teach a young man to properly use a firearm in less than one year of military training: "Sometimes it may be better to allow the violation of a facility than to use a firearm against a person that perhaps did not even intend to violate a guarded area. We are a civilized country and live in a period of absolute peace. Should any intervention be necessary, it will therefore be carried out by professionals."

In the interview on page 2, Nekvasil first returns to the theft of six submachine guns from a guarded facility of the Ministry of Defense in the beginning of December. Nekvasil says that, because of repeated cases of violation of guard duty, he has decided to return to a "tougher regime." The passage reads: "[Nekvasil] The Military Service Code [Zakladni rad] will be changed because, following its amendment in 1990, it is too liberal. True, its intention was to leave room for initiative and greater responsibility, but it has become apparent that we are not yet ready for that. We are still used to others laying down all the rules for us. Excessive benevolence was possible, in particular, in the daily schedule, in granting furlough, and also with respect to guard duty. For example, the old Military Service Code was better at setting out the preparation for guard duty. As early as mid-1994, I therefore adopted certain measures according to which we returned to the former practices regarding the preparation and selection of people for guard duty.

"[Kmenta] Is the whip necessary in the Army then, in your opinion?

"[Nekvasil] Other armies use the same approach. It simply is impossible to veer off the course there. Relations between superiors and subordinates are quite clearly defined. The Military Service Code in all armies is very clear, and only we, in view of our mentality, may find it too tough at times.

"[Kmenta] Which practices used in other armies can be assimilated and used under the conditions of the Czech Army?

"[Nekvasil] We must introduce more drill and a more demanding training. A soldier should not have the opportunity for even the slightest breach of discipline while performing a job and should be glad to be able to rest afterwards."

Next, Nekvasil discusses his plan to "professionalize" the post of platoon commander in the Czech Army: "The platoon commander should play the role of a U.S. Army sergeant [English term used] or a Bundeswehr Unteroffizier [German term used]. A platoon commander is one of the most important army figures. He is directly responsible for the soldiers, is the man closest to them, and can teach them the most. Until now, this function has mostly been performed by older conscripts. We would like to achieve a situation in which professional soldiers would act as platoon commanders. Our plan is to enlist some soldiers for another three to five years after the completion of their military service to stay in the Army to be platoon commanders."

In concluding, Nekvasil is asked to comment on the nine "serious incidents" that occurred in the Czech Army last year, five of which reportedly ended with soldiers' deaths. The chief of staff says that, as father of a son who will soon be drafted, he approaches such tragic cases from the position of a parent, and he expresses understanding for the parents' reluctance to send their children into the Army following such incidents. However, he asks parents to consider whether the Army can really prevent cases when a soldier on guard duty fires at a fellow soldier "out of pure mischief." He assures the parents, however, that "I will do everything I can for the existence of the strictest possible regime that would limit the occurrence of similar hazardous situations."

Draftees Opt for Civilian Service Over Military

AU0601144395 Prague DENNI TELEGRAF in Czech
2 Jan 95 p 4

[Article by Jan Hrbacek: "Thousands of Draftees Will Refuse To Perform Basic Military Service This Year"]

[FBIS Translated Excerpt] According to information provided to the DENNI TELEGRAF reporter by the Ministry of Defense Press Department, the Ministry of Defense expects some 6,720 of the 69,800 draftees in 1995 to refuse to perform military service.

The Czech Ministry of Defense keeps records on the number of draftees fit to perform military service and the number of draftees who refuse to perform military service and opt for so-called civilian service instead. In 1992, there were 68,700 draftees in the Czech Republic fit to perform military service, 6,580 of whom refused to perform it. The figure for 1993 was 6,860 out of 72,700 draftees declared fit for military service. [passage omitted]

Parliamentary Committee Favors F-16's

95CH0081C Prague PRAGUE POST in English
13 Dec 94 p 11

[Article by Brandon McNally: "Deputies Prefer F-16s to Updated MiG-21 Fighters"]

[FBIS Transcribed Text] In an effort to bring Czech defense systems closer to the West, the Czech parliament's defense and security committee has slapped a freeze on funds earmarked for modernizing the air force's geriatric fleet of MiG-21 jet fighters.

With the promise on the horizon of receiving surplus F-16s from the United States or other Western military inventories, lawmakers said there is no reason to maintain what they see as representing an unwanted link to their former Russian overlords.

"The committee made the decision not to put any more money into the MiG-21," said committee chairman Vladimir Suman. "We'd like to keep orienting the army over to NATO." Suman said there would be no MiG-21 modernization tenders announced until it can be ascertained whether the F-16s are forthcoming.

Acquiring even free F-16s would be prohibitive under current circumstances because of the massive logistical infrastructure needed to support them. But Suman insisted that "all these will be the subject of negotiations within the committee in days to come."

The MiG renovation funds were originally included in a 120 billion Kc ($4.4 billion) army modernization plan that the parliament approved November 21, along with a five-year program for further upgrade and procurement programs designed to bring Czech military technology closer to NATO standards. It represents the first such plan to be established among the former Warsaw Pact armies.

The plan was developed using the Program Planning System (PPS), a budgeting system originally devised by the U.S. Navy to support development of the Polaris submarine project in the 1960s.

"It was a little difficult approach at first, but it has really helped us prepare the budgeting for long-term projects," Suman said.

The modernization package funds two key acquisition programs: the Aero Vodochody L-159 multimission subsonic combat aircraft, which will be built with participation from U.S. aerospace giant Rockwell International, and a NATO-compatible command, control and communications center.

But the plan's primary emphasis is on upgrading whatever existing systems are not going to be scrapped. The army's 543 T-72 main battle tanks will be given fire control and sensor upgrades, along with new engines and transmission systems. The plan also calls for upgrading 36 of the air force's newer MiG-21MF fighter aircraft—although that is now on hold.

Czech Defense Minister Vilem Holan said that upcoming tenders for subcontracting work on military modernization would favor Czech companies "as long as they are able to meet the technical parameters. Where they don't reach the standards, we will choose foreign partners who are able to promise cooperation or offsets."

Deputy Prime Minister on Draft Policy Statement

LD0801205195 Bratislava STV 1 Television Network in Slovak 1830 GMT 8 Jan 95

[FBIS Translated Excerpt] The Slovak Cabinet has been discussing the draft of its policy statement in Trencianske Teplice since yesterday. Yvetta Benikova, our correspondent, interviewed Sergej Kozlik, Slovak deputy prime minister and minister of finance.

[Begin recording] [Kozlik] For the first time since 1989, the policy statement is about development. This means that we no longer speak about a restrictive stabilization program but, rather, about a program of development for this state. [passage omitted] This is something new, and we are, perhaps, the first postsocialist country to come with a rounded-off development strategy. This is a real change compared to the policy statements adopted by the previous governments.

[Benikova] Have you been able to incorporate into the policy statement some proposals made by the Confederation of Trade Unions and the Association of Employers?

[Kozlik] Yes, at our talks yesterday and the day before, we made some pledges that we would naturally observe. [passage omitted]

In our talks with the trade unions, the most important issue was that of wage regulations. We agreed that blanket wage regulations should not be applied as loss-making enterprises would also be covered and that we should go for a modern principle of wage regulations, based on productivity of labor as a long-term factor that should be used also in wage-bargaining talks.

With employers, we discussed taxes: We said we did not want to increase taxes but, on the other hand, were against a blanket tax reduction. We want to use a selective method of cutting taxes in some areas, mainly to encourage development of business investments and foreign trade, and to support science and research. [passage omitted]

[Benikova] When will the government endorse the final version of the policy statement?

[Kozlik] The final version of the policy statement should be finished today. The government should discuss it on 10 January, when some changes still could be made. The final version should be ready on 11 January, and it will then be submitted to Slovak parliament.

[Benikova] Are these deadlines definite?

[Kozlik] Yes, because we have to comply with the deadlines prescribed by the Constitution. [end recording]

Meciar, Employers' Leader on Economic Program

LD0801123695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 7 Jan 95

[FBIS Translated Excerpt] Following deliberations with trade union representatives yesterday [6 January], Cabinet ministers today met the representatives of the Slovak Association of Employers Unions and Associations. The aim of the meeting was to discuss the points of the draft government program in light of the government's steps aimed at the revitalization of the economy, the transformation of strategically important companies, and other economic issues. An interview conducted by our editor Oto Goerner with Michal Lach, president of the Association of Employers Unions and Associations, and Prime Minister Vladimir Meciar reveals the areas in which the two parties reached a consensus.

[Begin recording] [Meciar] The essential strategy of the government program points toward revitalization and growth. We have adopted this strategy. The macroeconomic measures suggest that we could achieve revitalization of 5 percent as an annual average or perhaps even more, and that we could even start this process in 1995.

The target of the program by 1998—and I emphasize by 1998 and not immediately—also involves reducing unemployment to 10 percent and keeping inflation at under 10 percent. Apart from that, we have other priorities for the year 1995 such as foreign trade, agriculture, and investments. Roughly speaking, we agreed that these essential facts, as they stand, and the measures proposed by the government were acceptable.

[Goerner] How do the employers view the program?

[Lach] The philosophy of this document is close or identical to our ideas. Our views, which we discussed with the ministers, pointed toward further specifications of all of these measures once the program is approved. We have identical views on the time scale of some measures and some different views on financial resources, particularly on investment.

[Goerner] The employers have previously protested against some companies being scheduled for coupon privatization. What is your view of the way privatization is going?

[Meciar] I identify with the view of the employers; they were right. Really, so many companies having 97 percent of their assets privatized is an act of economic unawareness that ignores the existing circumstances. There is no sensible reason for it. The companies will remain available for privatization, the proportion of coupon privatization will be substantially reduced, in the case of these 35 [as heard], but they will be privatized by combined methods.

Regarding other companies, we will look for the ones optimally with a value of 50 billion [currency not specified], but fulfilling this project with companies that have something to offer is difficult. The reason is that, in the inspection that is under way and that is due to finish on 15 January, we have discovered that even companies on the verge of being bankrupt were included in the coupon privatization. That means that people would not gain anything and would be hard done by again. [passage omitted]

[Goerner] Did you also talk today about the draft budget?

[Meciar] Regarding the importance, content, and scope of the program, it was not possible to devote specific attention to the state budget. Economic policies including the state budget will be the subject of the next extended, maybe two- or three-day, meeting, when we will deal with these issues in depth and will also consider the links among various different measures. [passage omitted]

[Goerner] The government would like to sign a general agreement for 1995 in mid-February. Do the employers share this intention?

[Lach] We are quite happy about it because we have agreed on the fundamental steps, and, if the salary-related policies develop in line with the increase in productivity of labor, I do not see any problem in signing a general agreement. [passage omitted] [end recording]

Duray Welcomes Meciar's Invitation to Hungary

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[FBIS Translated Text] The leader [Miklos Duray] of one of the Hungarian parties in Slovakia, the Coexistence Movement, approves of the fact that Hungarian Prime Minister Gyula Horn has invited Slovak Prime Minister Vladimir Meciar to Budapest.

Politicians of neighboring countries have to hold negotiations with each other by all means so that stances in disputed issues could at least get closer to a settlement, said Miklos Duray, who gave an interview to the Hungarian Radio's correspondent at the festive meeting of the Hungarian Democratic Union of Romania in Cluj-Napoca [Kolozsvar].

It does not mean anything that a lot of people do not find Meciar an acceptable or sympathetic politician; negotiations are by all means necessary, said Duray, adding that the timing and the topics of the talks were still to be decided.

Meciar's Parliamentary Moves Explained

95CH9957B Bratislava SLOBODNY PIATOK in Slovak 24 Nov 94 p 4

[Commentary by Ivo Grycz: "Legal Aberration"]

[FBIS Translated Text] Slovakia has a unique chance to enter political science textbooks because of its singular power structure, which has been created in practice by the parliamentary majority, because it uses its influence not to form a government but to make the exercise of power impossible for a government that cannot govern. The rejection of governmental responsibility by a parliamentary majority has no counterpart in parliamentary democracies and belongs in the realm of oddities. Nevertheless, this legal course of action taken by the victor in the elections has a logic, even though a considerably bankrupt one.

Yet, "the night of long faces" hinted at some trends in the political developments in Slovakia. The statement by the leadership of the Movement for a Democratic Slovakia [HZDS] that followed only confirmed these trends. It is obvious that the HZDS is not satisfied with a majority that does not make it possible for Meciar's government to gain recognition abroad, and it has continuing interest in getting the Party of the Democratic Left [SDL], weakened by the elections, to join the governing coalition. Six stalwarts were to be recruited mostly from that party, but so far only one "social democrat" (B. Zala) was found who voted according to the parliament's nocturnal voting scenario. The goal—to scare the SDL deputies and ministers and thus destroy the "governmental" opposition—has not been achieved thus far, in spite of considerable promotional activity by P. Kanis. It cannot be expected, therefore, that the HZDS will rush into taking over governmental responsibility; rather, it can be expected that it will continue to make it impossible for the Moravcik government to govern.

But most astonishing is the incompetence of the legal aberration that is being produced by the parliamentary majority. To approve such perplexing legislative models, which reach from the public laws into the private ones and are even in conflict with the Constitution, a huge dose of ignorance and lack of critical thinking on the part of individual deputies was needed. The almost unanimous vote in favor of canceling the already concluded buy-and-sell agreements gives evidence of either an intentional disregard for the law or ignorance of the law. The word "almost" applies especially to V. Meciar and I. Gasparovic, who did not vote on the legislative changes concerning privatization and probably knew why. The opinion of legal experts demonstrates that the law on canceling privatization decisions after 1 September 1994 as well as the amendment of the law on large privatization could have been worked out only by a legal dilettante. But the responsibility for implementing them is borne by the government, which the parliament stripped of the responsibility to implement privatization and put it in the hands of the National Property Fund, fully controlled by the HZDS. Under such circumstances, Moravcik's government can carry out its constitutional duty only in theory.

Sounding like a mockery of parliamentary democracy are all the "moral" appeals by those who should be governing but do not want to, to those who govern but cannot. Slovakia is thus becoming a country where the parliamentary majority is destabilizing the process of exercising power and thus puts the country into a position of lacking power to act with legal effectiveness. This is again the often-tested HZDS tactic to first create and then gradually overcome obstacles. We can thus find ourselves in a situation where people will be calling for changes they themselves did not want or choose but that will be presented to them as the only solution.

This only solution indicates ever more clearly a transition from a parliamentary to a presidential system. Therefore, it is not even important whether V. Meciar begins his attack on the presidential office from the governmental or the parliamentary position. The second alternative even provides him with a certain "alibi." But, because the HZDS and its allies do not have enough strength to make constitutional changes, it can be expected that the "night of long faces" was just a beginning of preparations for a much more grandiose plan—new parliamentary elections, but this time according to different rules. Because of the majority in the National Council, Meciar has the possibility to prepare, with the help of the loyal mass media, a favorable climate for changing the electoral law from the proportionate to the majority system. That system, as we know, has the effect of increasing votes for the benefit of the more successful parties and eliminating the less successful ones. Therefore, it can be expected that, following the law on protection of the Republic, the coalition HZDS-RSS [Farmers Party of Slovakia], SNS [Slovak National Party] and ZRS [Slovak Workers Union] will pass a number of laws that will enable it to turn a relative majority into an absolute majority.

One thing should be obvious to the citizens. The HZDS does not want to govern according to the already legislated rules but wants to create new rules for itself. If anybody expects that the political majority actually wants to rule responsibly, he must wait for the changes that will make the power of the HZDS absolute. Until then, only the legal aberration will govern here. But it is not necessary to confirm to the new political "vierohnuske" [as published] its assumptions immediately after the weekend. Local elections are a unique test of strength and a chance for the citizen to make politicians return to realistic thinking, to evaluate which parties offer better personalities. That is precisely why it is extremely necessary to vote and thus express one's opinion of the politics that are becoming ever more inward-looking, dangerously unrealistic, and far removed from the citizens' views.

Meciar Seen as Problem-Solving Leader

95CH0073A Prague PRAGUE POST in English
6 Dec 94 p 11

[Article by Daniel Wargo, an American teacher who lives in Komarno, Slovakia: "Meciar's Real Challenge: Deciphering the Rational Arithmetic"]

[FBIS Transcribed Text] What Slovak citizens voted for in the recent elections was socioeconomic stability, job security and an effective problem-solving government. And despite the disarray that has since rained from Vladimir Meciar's Movement for a Democratic Slovakia (HZDS) onto the Slovak political scene, no one can doubt that "Vladko's" populist appeals—based upon harmony, patriotism and confidence in the future—were effective.

His party garnered 35 percent of the overall vote. Voter turnout was high, and Meciar's supporters—the older generation, workers and nationalists of various stripes—carried the day.

Theories about these results fall into three general categories. One holds that if he's ever able to actually form a government, Meciar will unify the nation, solve pressing socioeconomic problems and enrich Slovakia and its people. A second says Meciar will not be able to deliver on his promises, and political instability will become even more marked. A third contends the Meciar victory will lead to economic and social disaster.

Slovakia, like all of the former Soviet satellites, struggles with the cultural, social, economic and political realities of change. Transformation is not a painless road toward wealth, security and hope. Slovakia is slowly moving through a minefield fraught with socioeconomic problems toward a vision of the future that will have some recognizable cultural features unique to this country's people.

Meciar's detractors criticize his personal style, calling him a "strong man," a "Slovak Mussolini," a bully with a penchant for throwing mud at his opponents, and a weakling whenever national fiscal and economic matters are discussed. He is said to rely upon political tactics honed under socialism, and look forward to perverting the privatization process into a spoils system while maintaining inefficient state-run concerns.

His supporters point out that he has his finger on the pulse of Slovak society. He is abrasive, they say, because he is a man of action, and a strong hand is needed in these times of newly won independence and economic challenge. He loves his country and wants it to be a better place for its children.

Meciar rejects economic "shock treatment" because he remembers the people who would have to do without jobs, medical care, pensions and education. He wants change, but he wants a process decided upon by Slovakia itself—not by industrialists, "expert" economists or foreign governments.

Public institutions employ many Slovak citizens, and without reorganization, inefficiency will sponge up tax money with inadequate returns to offset the loss to the national treasury. Where will the money come from to employ these soldiers, police, doctors, teachers and bureaucrats?

Nations are not static, concrete entities. They are interactive processes. The transformation of the Slovak economy is having profound effects upon the everyday lives of people. Were the election results reflections of these changes? Yes.

During the election campaign, Meciar promised security, stability and a problem-solving government. All of this he has promised along with harmony, confidence and patriotism. He and his coalition partners have harnessed the hopes of a great number of Slovak citizens. And they have turned this triumph into political power. If he and his colleagues fail to live up to these hopes and deliver on these promises, the arithmetic will capture them. Social and economic problems cannot be ignored or put off by political rhetoric or favors.

Meciar's detractors fear that his so-called strong-arm tactics, his inability to compromise and his weakness representing Slovakia abroad as a viable and democratic nation will eventually destroy the fragile political institutions erected since the revolution in 1989. They say the legacy of communism has been the ascendance of the Slovak Mussolini, and they say that the culture, the politics and the common people themselves are deformed and cannot come to grips with democracy. Slovaks want a father figure who will reward and punish while making all of the decisions.

But perhaps the truth is that in these uncertain and painful times, the people want a problem-solving leader whose love for his country is greater than the political shenanigans that make so many citizens impatient and eager for solutions to real world problems.

Meciar needs to prove his detractors wrong. Falling tax revenues, declining productivity and rising unemployment will demand more than campaign rhetoric. And if the democratic process reveals to the Slovak people their own shortcomings, then this victor will quickly become the goat.

For Meciar, as well as for the nation as a whole, translating political fantasy into rational arithmetic is the legacy they must leave to their children. There is no other way.

HZDS Handling of Privatization Questioned

95CH0056A Bratislava SLOBODNY PIATOK in Slovak 3 Nov 94 pp 12-13

[Article by Ivo Grycz: "The Sins of the Meciar Government"]

[FBIS Translated Text] *Different people can put a different interpretation on reports of public matters. If we evaluate the method of handling budgetary resources by the ministers of the Vladimir Meciar government, we will understand why the statehood advocates from the HZDS [Movement for a Democratic Slovakia] and the SNS [Party of National Unity] accepted their March defeat relatively peacefully so that they could legislate the plan for their return while in opposition. The successor coalition government was only able to determine that the state treasury was empty, the outgoing ministers managed to secure themselves and their loyal fellow workers financially and materially for a six-month stay in the shade. We present only a few submitted findings that are indicative of the individual notions of service to the country held by the ministers of the Meciar government.*

Over the course of 18 months, six employees of the Ministry of Labor, Social Affairs, and Family Affairs were granted remuneration amounting to 944,000 korunas [Kc]. The director of the Labor Section, who began his employment on 1 July 1992, received a payment of Kc33,000 at the end of the year; in 1993, he was paid 107,000 Slovak korunas [Sk], and for the first two months of 1994 he received Sk20,000.

The head of the office, who began her employment on 1 September 1992, received Kcs30,000 at the end of that year; in 1993, she was already paid Sk190,000, and for the first two months of 1994 she received Sk40,000.

The female director of the Economics Section, who started her employment on 1 September 1992, received Kcs25,000 at the end of that year; in 1993, she was paid Sk148,000, and for the first two months of 1994 she received Sk30,000.

The state secretary, who began his employment on 16 June 1993, received Sk90,000 at the end of that year and for the first two months of 1994 was paid Sk50,000.

The head of the Information and Operations Department received Kcs21,000 in 1992, Sk86,000 in 1993, and for the first two months of 1994 received Sk14,000.

The director of the Social Section, who began his employment on 1 September 1993, received Sk30,000 at the end of that year and for the first two months of 1994 was also paid Sk30,000.

In contrast, long-term and key employees of the Ministry of Labor, Social Affairs, and Family Affairs were paid an average of Sk20,000-25,000 for the year 1993, with secretaries and drivers of the female minister being paid Sk30,000. For the first two months of 1994, highly qualified employees of the ministry were paid an average of Sk4,000, with the minister's secretary receiving Sk11,000 and the minister's driver being paid Sk9,000. This was very likely an experimental verification of the HZDS intention to create a narrow stratum of rich people in practice.

An examination carried out by the Supreme Auditing Office of the Slovak Republic and involving the Ministry of Education and Science of the Slovak Republic found that employees were unjustifiably dismissed from this central state organ under the pretext of accomplishing organizational changes. It is worth noting that, as of 15 August 1993, 23 employees of the ministry were discharged because they were recalled from office when their jobs were abolished, and 38 employees were discharged because their agreed-upon working conditions were changed. However, during this same period, new employees were hired for these very same jobs and work activities.

The introduction of the so-called organizational structure at the ministry was connected with sizable financial outlays to cover severance pay for released workers. For these purposes, the Ministry of Education and Science paid out Sk2,857,190, with the Ministry of Finance authorizing the exceeding of wage resources by Sk2,804,000. In view of the fact that the introduction of the new organizational structure was not systemswide and that, in fact, no substantial changes in the organization of the ministry were accomplished, the payment of severance pay was not realized in conjunction with Law No. 195/1991 Collection of Laws [Zb.] on severance pay. The authorization to exceed wage resources by Sk2,804,000 to provide severance pay was not in line with Law No. 567/1992 Zb. on budgetary rules at the time the new organizational structure was introduced. Moreover, the paying out of these financial resources occurred before the time the request for permission to exceed wage costs was submitted to the Ministry of Finance. The above-listed facts attest to the great lack of budgetary and financial discipline that existed at the Ministry of Education and Science. At the same time, however, these facts provide proof of the degree of irresponsibility with which the then state secretary approached the fates of the released employees and even the financial expenditures that were connected with their release. In this connection, it is useful to note that the pretext of introducing a new organizational structure, the realization of which was the responsibility of the state secretary, resulted in a clever purge, which cost taxpayers almost Sk3 million.

Highly negative consequences for the health-care industry resulted from the unqualified and law-circumventing drawing of resources for health-care equipment. The most serious violation of legal regulations occurred with the signing of the agreement by the minister of health with Transkontakt, Ltd. for the delivery of diagnostic and therapeutic instruments obtained from Siemens without the Ministry of Health having declared a public competition. Moreover, at the ministry there was no record of the negotiations involving Transkontakt, Ltd., which was arbitrarily and illegally expanding the scope of the contract. The final payment guarantee by the Ministry of Finance for such a purchasing project for health-care instruments and equipment, to be realized within the framework of credits granted by Siemens, amounted to 64,725,602 German marks [DM], which, in korunas, after payment of the deposit to Siemens, amounted to Sk1,288,039,470.

Legal regulations were also violated as a result of the failure to announce a public competition in the signing of contracts involving the firms of Medinvex-Kalas, valued at Sk18,938,550, Technium, valued at Sk28,839,100, and Kalas, valued at Sk23,997,000. Not one of these firms submitted proof of its registration while the contracts were being signed with the Ministry of Health, as represented by the minister of health.

Purchases of health-care instruments and equipment without the creation of a competitive environment, which is established by declaring a public competition, not only resulted in repeated violations of the law, but also served to establish conditions for the possibility of corruption and self—enrichment on the basis of financial resources that are earmarked for protecting the health of citizens.

The Ministry of Finance should be the greatest example of adhering to budgetary rules and financial discipline because it is precisely this ministry that sees to the purity of financial relationships within the state in every serious government. Unfortunately, after the elections of 1992 and until the government changed in 1994, there were large-scale violations of the principles of good management even at the ministry that is supposed to guarantee financial discipline.

During the period under consideration, the Ministry of Finance of the Slovak Republic had 80 cases of unauthorized uneconomical or erroneous expenditure of financial resources. The most frequent case of violating financial regulations involved the chronically known failure to adhere to the principles of public procurement, which understandably led to increases in the likelihood of corruption in central organs of the state administration.

Very serious shortcomings were found in the sector of capital expenditures, where no public competition was declared for purchases valued in excess of 500,000 korunas.

This was the method that resulted in unauthorized expenditures in 1992 involved in the purchase of computer equipment valued at Kcs55,934,176 and in 1993 valued at Sk26,436,117. The contract in these unqualified purchases was signed for the ministry by the minister of finance. The minister also signed an addendum to this contract regarding the purchase of computer equipment for the customs authorities, which resulted in unauthorized expenditures of Kcs5,696,640 in 1992 and Sk2,139,945 in 1993.

Without declaring a public competition and, thus, in violation of the rules of the game, 1992 saw the purchase of three Volkswagen Passat automobiles valued at Kcs1.5 million and one BMW valued at Kcs1,013,921.

Perhaps the most scandalous determination in the area of capital expenditures can be considered to be the failure to declare a public competition covering the purchase of additional computer equipment in 1992, the value of which was represented by Kcs207,217,800 and for which a supplemental invoice was paid and valued at Sk28,047,812. Overall, capital outlays that were unauthorized amounted to Sk366,183,234.

After recomputing unauthorized draws of resources for foreign travel, overall unauthorized expenditures at the Ministry of Finance amounted to Sk404,551,443. But uneconomical drawing of resources for representational purposes amounting to Sk71,455 and the wrongful financing of some design and programming work, for conclusion of contracts in excess of the scope of authorizations, and the financing of some expenditures from wrong accounts amounting to Sk4,522,330 must be added to this figure.

A brief overview of the method of handling financial resources at the Ministry of Finance of the Slovak Republic in 1992 and 1993 makes it clear that particularly the sponsor of the correct approach in the use of state moneys—in other words, the minister of finance himself—was a very weak link in the chain of statesmanlike responsibility exercised by the preceding government.

The Supreme Auditing Office conducted an examination at the Ministry of Transportation, Communications, and Public Works, the results of which confirmed that, even at this ministry there were similar violations of legal standards in the area of managing the resources of the state budget, as have been noted in other ministries.

The Ministry of Transportation, Communications, and Public Works came into conflict with the law even in its purchase of Audi 100 Quatro automobiles for use by the former minister, valued at Sk3,407,286. In the first place, the purchases were not subject to a public competition, which violated Law No. 513/1991 Zb. and the Commercial Code. Both automobiles were purchased despite the fact that the minister made use of two Audi 100 vehicles for his purposes, which were transferred to his ministry from the Ministry of Development and Construction. The reason given for the purchase of new automobiles was the number of kilometers driven by the old vehicles; a check revealed that one of the vehicles had only 92,727 km on its odometer and the other had only 68,634 km, and their technical status was excellent. This also violated Law No. 567/1992 Zb. on budgetary regulations, according to which budgetary resources may be used only economically and effectively. Overall, the Ministry of Transportation, Communications, and Public Works had utilized Sk4,729,829 in an unauthorized manner as the result of the failure to adhere to regulations calling for a public competition.

Permanent violations of laws and regulations were also noted in the area of drawing financial budgetary resources for noncapital expenditures. Overall, in this connection there were 12 cases showing various shortcomings in financial operations, which were valued at Sk3,650,033. Their enumeration would be lengthy, but at least one case should be noted—it is a virtually incredible example. The Ministry of Transportation, Communications, and Public Works ordered the Austrian firm of Omega-Druck Wien to produce 4,500 calling cards, including 2,500 for the minister and 1,000 each for another two employees of the ministry. These calling cards were valued at 8,800 Austrian schillings and, together with customs duty payments, the expenditures for calling cards amounted to Sk22,389. This procedure violated the previously mentioned Government Resolution No. 946/1992, which obliged ministries to show preference for domestic production over foreign products when making purchases from budgetary resources.

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So much for official and confirmed facts. We shall be glad, dear readers, to have you express your views with respect to these facts. We have presented you only facts, and we also know that emotions play a role in judging the actions of politicians, but we cannot stay silent over similar actions of any government. That is our mission as journalists.

HZDS Political Tactics Characterized

95CH0057A Bratislava SLOBODNY PIATOK in Slovak 10 Nov 94 p 8

[Article by John-Paul Leonard: "Voters' Blindness—Democracy's Suicide"]

[FBIS Translated Text] Those who know the history of democracy in Central Europe, the problems and obstacles with which it had to struggle, must be now seriously concerned about Slovakia. When we delve into historical records, we find that neither Hitler nor Gottwald received more than three-eighths of the electoral votes—and they attained power nevertheless. It sufficed to "help" the results (this is also called manipulating the results) and to model democratic institutions—for example, the parliament and the Constitution—according to their own ideas. Such modeling activities are beginning to be ever more manifest in the effort of the Movement for a Democratic Slovakia [HZDS] to exclude the Democratic Union [DU] from the first session of the National Council of the Slovak Republic [NR SR]. The objective is clear—to gain a majority and, thus, total control over all of the agencies of the government. And how do matters really stand? Is it necessary to sound the alarm, or is this merely a simple dramatization of the situation? The answer may lie in the following paragraphs, which focus on some parallels between what the HZDS tacticians are doing and the totalitarian methods of attaining power.

The HZDS is trying to dictate who can and who cannot be in the leadership of other parties, especially the Party of the Democratic Left [SDL]. It is the well-known communist method of absorbing coalition partners into one's own bloc.

The HZDS foments intolerance of national minorities—in our case, the Hungarians. We have already experienced similar hysteria in this century in Europe: It was Hitler's hatred of the Jews.

The HZDS is a master of the "big lie" tactic, which was the key of the propagandistic program of the NSDAP [National Socialist German Workers' Party], as well as of the systematic distortion of facts, ideas, and arguments, a program patented by Stalin. By fitting the rhetorical practice from the old regime to the new conditions, the HZDS propagandists managed to produce, as on a conveyor belt, an enormous amount of disinformation—and not just any disinformation. A soberly thinking politician would have a problem clarifying it, even if he had a special television channel available 25 hours a day. The favorite and most often used fallacy among the countless number of fallacies and distortions is the promise of an economic miracle based on lower taxes and prices and on higher wages. This attracts votes from simple people who do not see that these promises contradict each other. Absurd promises are a tried-and-true method used by all players in the high stakes game for political power. The wilder and more bombastic his promises are, the more dangerous such a politician-player is. Slovakia, thanks to the HZDS mastery in producing such fallacies, became one of the foremost superpowers.

What the HZDS is doing reminds one of defective automated chess, which keeps making the same moves over and over again. First it creates a number of artificial problems, and then it introduces the only force that is able to solve them—the HZDS. That was the method that helped the bolsheviks win in 1917. In today's Slovak society, the most pressing problem is political instability. In this field, the author's rights unequivocally belong to Meciar. It was precisely he who in his preelection campaign urged voters to give their votes to the HZDS in order to ensure four years of stability. But better count on 44 years! Because nothing is more stable than a totalitarian regime. It is a similar case with the attacks on the president, practically the only stable point that exists on the Slovak political scene. In the communist vocabulary, every word has its own perverse meaning. In it, stability is a synonym for suppression of any and all opposition. In a democratic society, on the contrary, stability is a synonym for constructive cooperation. What constructive cooperation meant during the totalitarian regime everybody who had to live under it knows well.

Another tactic that is used by all dictators is to create tense relations with foreign countries. In this, Meciar again is the master of masters. It is a way to weaken liberal influences from the outside and increase the possibility of manipulating people's thinking. It is enough to present oneself as the protector of a nation surrounded by enemies. At the same time, it must be clear to everybody that Slovakia is surrounded only by potential friends. True, only if Meciar does not become prime minister!

To top it all, the HZDS chose a totalitarian internal structure. The HZDS deputies had to sign an agreement that they would give up their seats if they do not support a monolithic party line. That is a totalitarian method that has no parallel in any democratic country—a free nation with a parliament of hostages does not exist anywhere else. According to Article 73 of the Constitution of the Slovak Republic [SR], "deputies are representatives of the citizens. They carry out their mandate according to their conscience and conviction and are not bound by orders." By forcing its deputies to sign the above-mentioned agreement, the HZDS violated the SR Constitution. If the HZDS does not rescind this agreement, it will constitute sufficient grounds for revoking the mandate or halting the activity of the HZDS as an antidemocratic organization. It is better to do it now than 40 years later. If the HZDS is democratic, it will not resist setting its deputies free. If it does resist, it will only be further proof that its objective is to destroy democracy. The right of deputies to carry out their mandate according to their conscience and conviction must be, of course, respected by other political parties as well. After this condition is met, it will be possible to form a "nonpartisan" coalition government, which will work on the basis of goodwill and common sense of the individual deputies. It is the last chance for protecting democracy and creating a normal (not the wisest, we had that already...) government in Slovakia.

Causes of Czech-Slovak Separation Examined

95CH0055A Bratislava SLOBODNY PIATOK in Slovak 10 Nov 94 p 9

[Article by Ivo Grycz: "Czecho-Slovakia Through the Eyes of the Vanquished"]

[FBIS Translated Text] History is usually written by the victors. The views of the victors were instrumental in forming public opinion following the division of the federation as well. But, if we look at events that took place in the Federal Assembly with the eyes of the vanquished, we obtain a more plastic picture, not only regarding the causes and methods of dividing the CSFR, but also a picture of the political elites of contemporary Slovakia. The SKOI [Permanent Conference of Civic Institutions] unites people who did not wish to see the state divided but who, in the end, were compelled to analyze their defeat and look for starting points for today. Even if we need not agree with the ideas of the former federal delegates Frantisek Sebej and Milan Sutovec regarding the division of the CSFR [Czech and Slovak Federal Republic], there is much to be learned from it.

According to the former chairman of the Foreign Policy Committee of the Federal Assembly, Frantisek Sebej, there exist three fundamental reasons for organizing a state. They are freedom, security, and prosperity. From the standpoint of fulfilling these principles, Czecho-Slovakia was an island of democracy in Central Europe during the interwar years, which was surrounded by totalitarian regimes. At the same time, however, it never managed to find the kind of security guarantees that would protect this island from its external nondemocratic neighborhood. If the revolution in 1989 provided a certain degree of hope for the renewal of the democratic traditions of the first Czechoslovak Republic, the division of the former federation, according to F. Sebej, meant less freedom for Slovakia, less security, and less prosperity. Foreign countries perceive Slovakia to be a relatively weaker, not as stable and more vulnerable link, in the former CSFR, with the turning away from traditions—in other words, from legal and political continuity provided by the former federation, acting to further weaken the Slovak Republic. The question is not whether Slovakia should strive to promote above-standard relationships with the Czech Republic or whether it should strive to create some kind of union. The fundamental starting point happens to be preservation of that which was good, that which characterized the CSFR within the state, an attempt to establish Slovakia as a small one-third of Czecho-Slovakia, while preserving its own state identity. Thereafter, even above-standard relationships with the Czech Republic would be natural rather than politically self-serving. But, if we analyze the causes behind the dissolution of the federation, we come to doubt whether such a political program is realistic at all.

The former chairman of the People's Chamber of the Federal Assembly, Milan Sutovec, has looked at the possibilities of a federal coexistence with the Czech Republic with relative skepticism, with the passage of time. According to him, there were numerous factors that predisposed the federation toward a breakup. If, before November 1989, the federation was constitutionally "hanging" only by Article 4 dealing with the leading role of the party, the former Czecho-Slovakia could only have been preserved by adopting a new functional constitution. A dual federation involving the joining of two-thirds of the people with one-third, having differing economies to boot, could only have been realistic if a centrally organized transformation of the economy were to take place over the entire territory of the state. However, where the Czech Republic had its economic elites, who were transforming the economy in harmony with the program put forward by democratic elites, in Slovakia the economic elites, with the exception of Slavomir Stracar, had other ideas and failed to support the goals of the democratic elites. The economic elites in Slovakia, which were primarily made up of unreformable cadres of the communist *nomenklatura*, realized the inevitability of separating Slovakia in order to assert their power ambitions. Given such developments, scenarios for division were bound to come into being even on the Czech side. The political leadership of the former federation was not capable of resisting Slovak pressures, among others also because the decisive forces (the HZDS [Movement for a Democratic Slovakia], the SNS [Party of National Unity], and the SDL [Party of the Democratic Left]) were evidently connected with the Slovak economic elites.

According to Sebej, the Slovak mass media played a decisive role in the breakup of the federation and, thus, in the victory of the above-mentioned economic elites and their political representatives. In connection with the Mjartan Radio Journal, politicians of the former ODU [Civic Democratic Union], which is today SKOI, believe that there is a connection between the fact that numerous journalists were studying in Moscow and their subsequent participation in the propaganda that aided V. Meciar, J. Prokes, P. Kanis, and others to break up the state. They do not exclude the possibility that these journalists actively cooperated with the so-called dark forces (economic mafias that were created by the infamous KGB within the framework of its "reorganization"). As a shining example, Sebej recalled the situation when Mjartan and his closest associates in the Radio Journal were toasting the reports of the anti-Gorbachev coup with champagne. According to Sebej, the more mature and more branched-out Czech journalist establishment immediately recognized "where north lay" after November 1989, whereas the majority of Slovak journalists were still learning to orient themselves in the new situation that gave prophets like Mjartan essentially a free hand and the public perceived them in a favorable light.

Despite differing interpretations, the followers of the VPN [Public Against Violence] and the present-day SKOI perceive the breakup of the federation as a defeat for the Slovak post-November representation and tend to aim various criticisms against their former leaders. For example, they criticize the overly soft approach against former communist elites or the failure to use force as a tool of power. However, Sutovec stresses the nonrevolutionary methods that were used by the "velvet revolutionary" VPN. The use of force would have been also possible according to the Chilean scenario—something nobody wanted. That is why the post-November reformers chose the path of legal continuity, which made it possible for the communist constitution to "survive" and chose the path of adopting transformation laws and large-scale amendments. The Federal Assembly managed to adopt 300 of them, and, to this day, they form the basis of the Slovak legislation as well. At the same time, six months of work also produced a new federal constitution, which also contained the institution of a referendum. Within the framework of the federation, this provision was never used, thanks to those delegates who are currently invoking it the most.

Demonstration at Embassy Protests Chechen Events

LD0801195795 Budapest MTV Television Network in Hungarian 1800 GMT 8 Jan 95

[FBIS Translated Excerpt] About 40 people demonstrated, outside the building of the Russian Embassy in Budapest, against the siege of Groznyy. After the demonstration, which was organized by the Alba Circle [a movement in favor of peace], the executive of this movement against violence handed over a petition to the secretary of the embassy.

[Unidentified correspondent] The demonstration, which was organized in the spirit of peace and tolerance, began with a bit of turbulence. A few participants describing themselves as real '56-ers expressed the view that the Russians' war in Chechnya bears an uncanny resemblance to the 1956 events of Budapest. For this reason, they considered it outrageous that altogether no more than 40 or so people gathered outside the Russian Embassy. [passage omitted]

The organizers of the demonstration stressed that they are not trying to take a stand on the side of the Chechens but are merely protesting against violence.

[Voice of Alba Circle protester] We obviously disapprove of the existence of the Chechen mafia; however, we are voicing our protest irrespective of all that, because we consider that all these things were not sufficient grounds for what has taken place.

[Correspondent] At the end of the demonstration, the Alba Circle executive handed over a petition to the secretary of the Russian Embassy, and then the participants lit candles in remembrance of the victims of the war in Chechnya.

Commander Views Forthcoming Army 'Transformation'

LD0601133395 Budapest MTV Television Network in Hungarian 0600 GMT 6 Jan 95

[FBIS Translated Text] Although in real terms the Hungarian Army's budget for this year does not equal last year's, the Ministry of Defense chiefs are not pessimistic. They believe the army will fulfill its commitments despite the tougher conditions.

[Unidentified correspondent] In an interview with "Newsreel," Army Commander Colonel General Janos Deak talked about the Hungarian Army's tasks for this year.

[Begin Deak recording] This year we consider the elaboration of the concept of the Army's transformation to be our most important task. We have drawn up a concept of the transformation of the army and submitted it to the parliamentary Defense Committee. The government is expected to present it to the parliament as early as this spring. Provided the parliament gives its approval to our proposals, we will begin the army's transformation with the aim of making the Hungarian Army smaller, but hopefully more modern and efficient both in the medium and in the long term.

We would like to subject the whole year's training activity to this aim. Since we expect the parliament to make its decisions by April or May, we are only setting our tasks for the first six months. They will be reduced tasks. Then, we will set the second six months' tasks, separately in light of the parliament's decisions. [end recording]

Official Calls For Self-Restraint, Moderation

AU0801203495 Budapest NEPSZAVA in Hungarian 2 Jan 95 pp 1, 2

[Interview with Sandor Csintalan, executive chairman of the Hungarian Socialist Party, by Anna Dano; place and date not given: "More Self-Moderation Is Required for Governing—Interview With Csintalan on the Coalition's Future"; first paragraph is NEPSZAVA introduction]

[FBIS Translated Text] The government ended 1994 with coalition debates, and an increasing number of people are talking about personnel and organizational changes. In his New Year interview to NEPSZAVA, Sandor Csintalan, executive chairman of the Hungarian Socialist Party [MSZP], cautions both government parties to exercise self-restraint. He thinks the media debate between the prime minister and his coalition deputy that began a few weeks ago was a big mistake.

[Dano] What, in your view, is the reason for the coalition's functional problems?

[Csintalan] The Alliance of Free Democrats [SZDSZ] is a real coalition partner. We made a real agreement on essential issues and on coordination. In this sense, the previous government cannot be called a coalition because the influence of one party prevailed almost exclusively.

We sat down and decided along what interests we would coordinate the issues. As there were not really any precedents for this, it is possible that, after six months, we have to examine whether or not the coordination was done along adequately-ordered values and whether or not the government is operating the way the voters expect a social-liberal coalition to operate. We should think about the future along these lines.

[Dano] Who should assess the balance?

[Csintalan] This is a job for the prime minister and the leadership of the two parties. Both parties have to examine themselves. They have to assess what the ideas were and how they have been implemented.

[Dano] Do you believe there is justification for reexamining the coalition agreement and, if you do, to what extent should it be reworded?

[Csintalan] I have no prejudices in connection with the coalition. I would like this coalition to be maintained. Naturally, I have noticed the functional problems. The coalition should progress to the level where the prime minister has the right to express his opinion without the coalition's disintegrating, and to make suggestions about the operation of various ministries even if they are not run by Socialists.

[Dano] It is not this right of the prime minister that the free democrats are disputing. They are objecting to, for example, upon the possible reorganization of the Interior Ministry, the prime minister's removing from his position a state secretary who is good, professionally, and who has not received any complaints at all about his work.

[Csintalan] The parties that delegated the government should not create an atmosphere in which the ministers and state secretaries constantly have to be watching their backs to see if they can work in peace. The members of the two governing parties have a duty to give political support, background, and security to this coalition government.

[Dano] If you believe this security to be a goal, then why should, precisely, the Interior Ministry be changed? In whose interest is this?

[Csintalan] I have not yet discussed this with the prime minister. We should be loyal to ourselves for at least half a year. This is not a private affair. Many millions of people have placed their trust in this coalition. Therefore, the politicians should find their political capital in accepting what we have, rather than in distancing themselves from the coalition. We should not attend to our grievances along the malfunctions of the coalition's operation, because there is no point in this. It does not lead anywhere, and discredits the coalition and the government. I would like us to work together for at least half a year, even by declaring a voluntary silence. We were not put in our positions to achieve personal gains.

[Dano] Do you also believe that the Socialists are divided over the coalition partner? Is it true that Sandor Nagy's [chairman of the National Federation of Hungarian Trade Unions] group would prefer cooperation with the Christian Democrats?

[Csintalan] Both parties have politicians who have different ideas. However, I know that the MSZP's dominant section is pro-coalition. Even those who do not like the coalition behave very loyally. The views of the SZDSZ's internal opposition cannot be heard so easily because they are less well-known politicians. The Socialist opposers can be better seen. However, I do not think that this has any political significance. It would be good for the two parties to notice that they still have the population's confidence, which was also proved in the elections for local government.

[Dano] What do you expect to happen if the two parties do not manage to agree on the Interior Ministry? What can the Socialists offer in exchange for [Political State Secretary] Gabor Vilagosi? What happens if the SZDSZ asks for a ministerial position in exchange?

[Csintalan] I cannot say anything about the MSZP's political position. It would not be good to send messages through the press anyway. In my view, if the Socialists' need for the Interior Ministry's political state secretarial position is asserted, then we have to give something that is acceptable to the SZDSZ. I do not know what this is; the SZDSZ will have to tell us. However, I do not even know if we definitely insist on changing the Interior Ministry.

[Dano] Up until now, we have always been told that [Prime Minister] Gyula Horn and [Deputy Coalition Prime Minister] Gabor Kuncze understand each other very well. How is it possible that after the first open criticism made by Kuncze, the prime minister firmly said that this cannot happen again? Does this mean that the Socialists are demanding Kuncze's head?

[Csintalan] I think the prime minister was serious about saying that Kuncze has been a good and pleasant partner for him. I believe this is still so. As for that certain television interview, I think both of them made a big mistake. The country's prime minister must not argue with the ministers in public. The prime minister can be criticized by the public and the media. The government members cannot publicly criticize him. However, both of them are responsible for this event. It was simply a mistake.

State Secretary on HDUR's Struggle for Autonomy

LD0601211695 Budapest Kossuth Radio Network in Hungarian 1700 GMT 6 Jan 95

[FBIS Translated Text] [Announcer] The political organization of Hungarians in Romania HDUR [Hungarian Democratic Union of Romania], is celebrating the fifth anniversary of its existence. I welcome Csaba Tabajdi, political state secretrary at the Prime Minister's Office. Mr. Secretary, tomorrow autonomy, too, will be discussed in Cluj. In your opinion, what are the chances for the Romanian Hungarians' autonomy endeavors?

[Tabajdi] Good evening. I think it is of great significance that the HDUR will review the activity of five years. It will review what it could achieve on the level of large-scale policy in the course of parliamentary battles. The balance here is not too encouraging. At tomorrow's conference they will sum up, among other things, how further progress could be made on the autonomy issue. To achieve any progress requires the will of the other side—the Romanian Government—too, because the level of autonomy a minority can achieve never primarily depends on its will, but on the readiness of the majority, which has not—either lately or now—been too encouraging as regards the implementation of either a cultural or public administration autonomy. Of course, the HDUR and the Hungarian community living in Romania cannot give up this endeavor.

[Announcer] Mr. Secretary, there are certain lines of pressure within the HDUR. Will possible internal disputes reduce the political weight of the HDUR?

[Tabajdi] The present situation is very difficult. The situation within the HDUR is to a certain extent extraordinary, as a result of the accusations against Laszlo Tokes, which have largely aggravated internal disputes. I think that at the HDUR congress, which is to begin tomorrow [7 January], Hungarian and other leaders from beyond the border will perhaps be able to exchange views with HDUR leaders at an appropriate moment, and will perhaps advise certain HDUR circles to exercise some restraint.

[Announcer] I would like to conclude the interview with a report in today's press. According to the Romanian foreign minister, the Basic Treaty with Hungary could be signed as early as this spring. This is not the first such statement by Mr. Melescanu.

[Tabajdi] Nor is it the last one, either, I believe. It would be nice if the Romanian Government's position was genuine. I think that in minority issues, there are a lot of tough negotiations yet to come.

[Announcer] Thank you, Mr. Secretary.

Ethnic Hungarian Assesses Minority Policy

AU0801202295 Budapest NEPSZAVA in Hungarian 4 Jan 95 pp 1, 9

[Interview with Andras Agoston, chairman of the Democratic Union of Hungarians in Vojvodina, by Ferenc Kepecs; place and date not given: "Ointment for Trianon—Opinion on the National Minority Policy"]

[FBIS Translated Text] What are the views of minority Hungarians living in the neighboring countries on the Horn government's activities? Andras Agoston, chairman of the Democratic Union of Hungarian in Vojvodina [VMDK], answered our question.

[Agoston] We took an interest in the Horn government's first program and highly appreciated the fact that it supported the autonomy efforts of the national minorities. Hungarian diplomacy is actually implementing the program's stipulations.

[Kepecs] What other expectations do you have of Budapest?

[Agoston] We would like the Hungarian Government and Hungarian diplomacy to contribute to our ability to introduce the autonomy efforts of the Vojvodina Hungarians at the appropriate international levels and at the necessary depths. Our other request is that they should distribute the aid for Hungarian minorities living over the border in a system that meets two goals at the same time. On the one hand, it should facilitate the basic activities of the Hungarian organizations; on the other, further the implementation of the autonomy efforts.

[Kepecs] Does this mean that you are dissatisfied with the way the new government distributes the aid?

[Agoston] Unfortunately, I have to say that, in spite of the positive attempts, no decisive step has been taken to change the former system of distribution, based on friendships. The awarding system is not clear enough, and not well thought out.

[Kepecs] Is the Hungarian Government's Yugoslavia policy favorable for the VMDK?

[Agoston] Yes, this policy firmly supports our effort to create a real dialogue between the VMDK and the Belgrade government. As many as three high-level meetings have taken place lately between Budapest and Belgrade leaders during the course of which the Hungarians demanded precisely that their partners begin a dialogue. We have also received support from Hungary concerning our activities abroad.

[Kepecs] What are your views on Hungary's intention to settle its relations with its neighbors through basic treaties?

[Agoston] In my view, due to the peculiarities of the situation, the basic treaties are not suitable for settling the problems of the minorities and for attaining their equal rights. However, if Hungary cannot join the European Union [EU] without signing the basic treaties, then they will have to be signed. Our autonomy efforts must not prevent Hungary's accession.

[Kepecs] Are the autonomy efforts and the accession to the EU contradictory?

[Agoston] In my view, the Hungarian foreign policy's two goals—namely joining the EU and supporting the national minority efforts—are together suitable to serve as ointment to the trauma of Trianon.

We expect of the Hungarian Government that it support national minority efforts even after the basic treaties are signed by making them appear in the international arena. This is a common goal.

Secret Service Head Discusses Undercover Work

AU0601173295 Budapest MAGYAR NEMZET in Hungarian 2 Jan 95 p 7

[Interview with Bela Katona, minister without portfolio in charge of the secret services, by Frigyes Varju; place and date not given: "Is the Organization Based on the

Citizens' Conscience?—Bela Katona on Undercover Informers, Secret Services, and Balazs Horvath's Observation"]

[FBIS Translated Excerpt] [passage omitted] [Varju] The secret services are criticized a lot for the current level of organized crime in Hungary.

[Katona] Dividing the tasks between the police and the secret services has for years been the most important point of debate between them. In our view, both organizations—namely the police and the secret services—have their own specific tasks, and it has to be ensured that their work does not overlap too much. For example, when the police are investigating a case, the secret services can, at most, play the role of helper. Our task is to forward to the police any warning information that we receive from abroad or from our own network.

We also have a series of tasks that I call the following phase. We have to have information on the leaders of organized crime, even when they are removed from the possibility of being punished and cannot be easily questioned. We must make sure, for example, that they do not get into key positions in the legal economic sphere, and that they do not play a role in political life.

[Varju] Can the secret services arrange such things?

[Katona] These issues can only be arranged through secret service methods because, for the mentioned reasons, police searches cannot be carried out in the homes of these people and they cannot be taken to court. However, politicians and deputies have to be warned if these people appear in their environment. Regardless of whether a deputy is in the government or the opposition, we always give them warning.

[Varju] Has this happened before?

[Katona] Many times, and the parliamentary deputies receive them very positively. In today's economic life, it is impossible to know if someone is an honest entrepreneur who should be supported or if the person is close to organized crime.

[Varju] Many people, including myself, believe that, just as the police are acting aggressively against violators of the highway code as a kind of pseudo-action in their incompetence, similarly, the secret services are also not showing much competence in exposing the mafias that are active in Hungary. How much have the secret services developed, compared to the level they inherited from their predecessors, and how much time is needed for the reorganization?

[Katona] If the services have developed in the past months, it is not due to me; the organization has its own inner movement.... At least one year is needed for my ideas to be implemented. [passage omitted]

[Varju] Many sections of the national security bill have made me think. According to the plans, for example, the range of people who can be observed by the secret services only with external authorization, from the justice minister and the judges, would be narrowed. At the moment, security people need ministerial permission to tap homes and conduct secret house searches. According to the draft, only premises classed as dwellings will have this protection in the future, and all premises could be tapped.

Here is another strange fact: In the future, the secret services will use undercover people in a broad circle, and the leaders of enterprises in majority state ownership will be compelled to take on undercover agents—"bricks"—as employees....

[Katona] There is some misunderstanding here, because the area of secret service methods that require authorization will not be reduced. On the contrary: More of them will require permission from a judge or the justice minister.

We started from the premise that, in places where the police and the secret services operate in the same area, there should not be any difference between the police and our own authorization systems. Both organizations receive permission from the courts, and our definition of the range of premises is also identical with that of the police law. However, certain areas require special secret service work, and these will have to be authorized by the justice minister.

[Varju] In what areas do you not need the aforementioned permission?

[Katona] For example, to observe public premises. Anyone can be watched in a market; however, secret service activities performed in a solicitor's office—this is where the dwelling has a wider interpretation—require authorization.

[Varju] What about state institutions and offices?

[Katona] We do not need permits for the open areas, but we do for the closed ones.

[Varju] What is considered a closed area in a factory?

[Katona] All offices that can only be used by the employees. Many of these exist as this is the majority.

[Varju] Why do the secret services need undercover agents?

[Katona] This is not a matter of undercover agents. Throughout the world, the following is the name of this method: The secret services have to have positions to be well-informed. This also means that experts who perform their civilian professions well and get paid only for this, occasionally provide information to the secret services. Rather than for money, they do this because they realize that giving information is in the country's interest.

[Varju] Could you give some examples?

[Katona] I would not like to mention any examples, but it is a fact that very important security issues can arise at a nuclear power station or at an airport. Or I could mention the tax offices, because money laundering can best be caught through such offices' data.

[Varju] How can these people be convinced to cooperate with you?

[Katona] I trust that the citizens' conscience will sooner or later be the basic motive for cooperation in Hungary, too. This kind of work is seen to be an honest role throughout the world. Therefore, if a professor in the United States is asked to give advice, he will see this as an honor.

[Varju] And he gets paid for it.

[Katona] The majority of them are not paid. The security of the United States is important for these people.

[Varju] Therefore, you are not planning to corner Hungarian informers and force them to cooperate because they have done something bad?

[Katona] It is self-destructive to use blackmailed people for this task. The fact that someone gets into an economically advantageous position at our recommendation may in itself help cooperation.

[Varju] I hope that the application of undercover agents will not mean the return of the pre-1989 intelligence activities?

[Katona] The emphasis is on the direction of gathering information rather than on the techniques. If the secret services gather information on who reads SZABAD NEP in the morning and what people say about the Kadar regime, then this practice is to be condemned and stopped. However, if suspicious people appear around a research institution and inquire about the details of a possible world patent, then it is clear that the activity that violates our economic interest has to be prevented. [passage omitted]

[Varju] A different person has been heading the National Security Committee [NBH] since January. Was the personnel change due to political, professional, confidential, or other reasons?

[Katona] It is usually said that years spent in war count twice. I say that the past four years in the NBH's life count at least triple. The NBH has had a very hard four years. Many battles had to be fought for the office's survival. I seriously mean it when I say that I relieved Chief Director Sandor Simon by recognizing his merits. He did a lot to organize and maintain the office, and he has become tired in this work. However, according to my experience, he performed his work free of politics, over the past four years—and my predecessors also hold the same view on this.

Customs Confiscated 764 Kg of Drugs in 1994

AU0701193095 Budapest NEPSZABADSAG in Hungarian 3 Jan 95 p 5

[Report by Attila Gy. Fekete: "764 Kilograms of Drugs Were Confiscated at the Hungarian Border"]

[FBIS Translated Text] Last year, more than 760 kg of drugs were confiscated by customs officers at border crossings. This is included, among other things, in the Customs and Revenue Police's flash report on drugs. Heroin manufactured in eastern Turkey was the drug most confiscated.

On 28 occasions, customs officers found drugs hidden in passengers' luggage or in truck loads. Altogether, 764 kg and 306 grams of drugs were found in hiding places: 724.907 kg of heroin, 24.984 kg of cocaine, 13.914 kg of hashish, and 501 grams of marijuana.

Compared to 1993 data, the amount of confiscated South American cocaine increased ten-fold, and the amount of heroin almost one and a half times. At the same time, the amount of smuggled hashish decreased to one-twentieth of what it was before, and marijuana one-sixth.

The first catch in 1994 was made on 3 January by the customs office: At Lokoshaza, approximately 1 kg of heroin was found in the suitcase with a hidden compartment of a German man travelling on an express train to Hungary. On 9 February, more than 9 kg of heroin were found under the bus seat of a Hungarian tourist heading for Italy.

Customs officers at Biharkeresztes made the biggest drug catch of the past year on 20 April, from the fuel tank of a Turkish truck. A month before this, at the Gyula border station, 147.5 kg of heroin were found among the load of a Turkish truck.

The year's biggest cocaine catch was a 19.850-kg parcel that was found in a package sent from Peru to the address of a Hungarian enterprise. The package contained a compressor and the bags containing the drug were stored in its tank. Last year's catch was cocaine: Some 3.443 kg of cocaine were found in the suitcase with a false bottom of an American woman at Ferihegy airport.

The title of the year's strangest catch would probably be awarded to the 120 grams of heroin wrapped in sanitary napkins found by customs officers on the shore of the Danube.

BBN Head on Pastusiak Appointment Controversy

LD0701211395 Warsaw TV Polonia Network in Polish 2000 GMT 7 Jan 95

[FBIS Translated Excerpt] The announced appointment of Longin Pastusiak to the post of head of the Defense Ministry, as proposed by the ruling coalition, will be unconstitutional, Henryk Goryszewski, the head of the National Security Office [BBN], has said.

But politicians from the left wing recall that, in the Polish governments, there were cases when heads were appointed to run various ministries. [passage omitted].

[Begin Goryszewski recording] After close analysis, the small constitution rules out the possibility of appointing the head of a ministry. There must be a minister, and therefore he must be appointed in keeping with Article 68, Paragraph 2—that is, with the president's consent. Replacing a minister requires presidential consent because there is a clause that the president can but does not have to appoint a candidate proposed by the prime minister. There must, therefore, be some sort of political consensus; the presidential opinion must be taken into consideration by the coalition. [end recording] [passage omitted].

Helsinki Committee Members Picket Russian Embassy

LD0801185395 Warsaw Radio Warszawa Network in Polish 1800 GMT 8 Jan 95

[FBIS Translated Text] About 100 people from the Helsinki Committee picketed the Russian Federation's Embassy in Warsaw today in protest against the Russian intervention in Chechnya. The demonstrators lit several dozen candles in front of the embassy, which the chairman of the Helsinki Committee in Poland, Marek Nowicki, said were meant to symbolize the victims of the war in Chechnya, both Chechens and Russians.

Pawlak Expects Stabilization in 1995

AU0801202195 Prague HOSPODARSKE NOVINY in Czech 3 Jan 95 pp 1, 25

[Article by Marta Stolarova on interview with Polish Prime Minister Waldemar Pawlak; place and date of interview not given: "I Consider Change in the Structure of Information Flows To Be the Basic Task; In an Interview for HOSPODARSKE NOVINY, Polish Prime Minister Waldemar Pawlak Assesses Highly the Present and Future of Polish-Czech Relations"]

[FBIS Translated Text] "The economic development of Poland will be marked by the strengthening of social, economic, and political stability. These three areas are indivisible. A task of fundamental importance will be the renewal of social balance through further curtailment of unemployment and reform of the insurance and health-care systems," Polish Prime Minister Waldemar Pawlak told HOSPODARSKE NOVINY in an exclusive interview when asked which main factors would have the greatest impact on the economic development of his country in the year that is just starting.

"When speaking about economic stabilization, I have in mind specific indicators, among them maintaining GDP [gross domestic product] growth (which reached 5 percent last year, one of the highest levels in Europe), growth of industrial output (12 percent in 1994), and export growth. Under the term 'political stabilization,'I understand such a further arrangement of the political scene as would give it clearly defined programmatic criteria and make it legible for every citizen," the Polish prime minister continued.

Asked about the expected impact of the liberalization of foreign trade on the economic development of Poland, the prime minister said that principal influence would be exerted by his country's growing share in international trade, owing to growth of output and of the competitiveness and attractiveness of Polish goods and services. "The date 1 January 1995 is an outright historic one from this viewpoint. The coming into force of the final documents of the Uruguay round of GATT will facilitate access to foreign markets. Indirectly, through indirect taxes, this will bolster state budget revenue. The utilization of all concessions and prerogatives arising from this treaty must provide positive incentives for the economies of all signatory states, Prime Minister Waldemar Pawlak stressed.

"I assess the state of bilateral relations very highly. Last year we twice welcomed Prime Minister Vaclav Klaus in Poland, and we also met twice at summit meetings—in Prague and in Essen. The political will to develop mutual relations is indisputable. Nevertheless, in the economy we do not make use as yet of the opportunities offered by our being neighbors and by the specific advantages of our countries. I consider as a basic task the need to change the structure of information flows. Politicians can attend to the climate of relations, but, in a market economy, the temperature of these relations depends on immediate encounters of business people. I hope that this temperature will be increasingly favorable for economic exchange," Waldemar Pawlak said in the interview for HOSPODARSKE NOVINY.

SLD Leader Aleksander Kwasniewski Interviewed

LD0601180495 Warsaw Radio Zet in Polish 0710 GMT 6 Jan 95

[FBIS Translated Text] [Correspondent Wojciechowski] Today's guest on Radio Zet is Aleksander Kwasniewski, leader of the Democratic Left Alliance [SLD]. Good morning.

[Kwasniewski] Good morning.

[Wojciechowski] What's going on? Strange things have recently been happening. What will the outcome of all this be?

[Kwasniewski] There is no doubt that 1995 did not start well with, in my opinion, unnecessary misunderstandings. I think the next few days will determine whether the whole year will carry on in the same way, with an atmosphere of a political and presidential campaign, or whether the main figures on the political stage—I mean mainly the president—but also the prime minister, politicians, myself included... However, I have expressed my readiness many times and it is still there. Well...

[Wojciechowski, interrupting] Readiness to do what?

[Kwasniewski] To sit down and discuss what should be the main aim of 1995. What should be done so that Poland will not waste its opportunities, and what should be done to maintain economic growth, to implement this difficult but real and ambitious budget, to keep inflation at an average of 17 percent, to advance talks with the European Union, and to agree more precisely on NATO membership. After the atmosphere has cleared and some of the problems have been solved, the presidential campaign should take place. Perhaps it could be more peaceful and normal and not a destructive one or filled solely with imputations and conflicts. Maybe what I am saying here is too naive because, if I were to assess the first days of this year, we are a long way from this kind of scenario.

[Wojciechowski] You call this situation a m[illegible]standing, while others talk about conflict, open conf[illegible] war at the top. Do you think this conflict threatens the economic growth and stability of the economy?

[Kwasniewski] I think one should not exaggerate and overestimate these conflicts because, luckily Poland is a country where there are hundreds of wars at the top but everything moves forward, although we pay a high price for this. This price is the fact that people are tired, they move away from politics, and they do not take part in elections. Contrary to belief, this is not a low price. This means moving away from a civic society, where people want to participate in important political processes. One should not exaggerate that all this will pose a threat and some dramatic consequences, but I have no doubt that we may lose time. Who knows? A loss of time at this historic moment could be the greatest sin. If the president is making it difficult for the budget to be finalized, if he is calling on people not to pay taxes, then he is introducing a serious element of legal destruction in Poland. He does not bother to turn up for a constitutional tribunal sitting, which could have ended this problem, and this looks bad.

[Wojciechowski] What do you think his aim is by doing all this? What is he trying to achieve?

[kwasniewski] I think this is an element of the campaign in which the president wants to first cut himself off from the coalition and the government. Second, he wants to return to what he has said on many ocassions but has only managed to implement in a very limited way, which is protecting the poor and fulfilling promises he has made many times. I also think he hopes that all his prospective competitors are going to be involved in various arguments and conflicts so that they will not be able to easily compete with the president.

[Wojciechowski] The prospective competitors are Aleksander Kwasniewski and Waldemar Pawlak. It has been said up until recently that the president is at war with the parliament, and recently it seems he is at war with the prime minister.

[kwasniewski] Most certainly relations between the prime minister and the president are far from those feelings we observed six months ago.

[Wojciechowski] Why is that? What happened?

[kwasniewski] To be honest, I do not know. I do not take part in meetings between the president and the prime minister. Maybe those who are right next to them, like Professor Mleczko or Minister Wachowski or Minister Spalinski, could say more about where things went wrong. We can still remember Minister Falandysz's argument about the younger, peasant brother of the president, who is Prime Minister Pawlak. It is clear today that relations are tense. I think that likes and dislikes are natural among people. However, among politicians, particularly among people who are responsible for Poland's interests, they should not matter. It is the duty of both gentlemen to work together. They have specific constitutional tasks, and I think the sooner this cooperation solidifies...

[Wojciechowski, interrupting] Do you think it is still possible?

[Kwasniewski] That is how it should be. I believe it is still possible. It would be wrong if it turned out not to be possible because it would mean that problems and disturbances would start at the very top. So, it would not be war at the top in the broad meaning of the word but war at the very peak, which is not that great, and the risk of this kind of war for all who are below would be too great.

[Wojciechowski] What does the president mean when he says that now Kwasniewski should become the prime minister?

[Kwasniewski] Well, I can say that it is nice because everyone likes to hear a positive opinion about himself every now and again. The president said it in his own style with a hint of a joke. However, realistically and from the viewpoint of politics, we have formed a majority coalition. Waldemar Pawlak became prime minister at the request of this coalition. I think it should be said that this coalition, although it has internal arguments and discussions and is also critical of the prime minister, still supports him, which was clear during the vote on the budget and the rejection of the president's veto. So this is not an issue, but, during some discussion among members, the question, not so much of the prime minister but of a general assessment of this government after one year in power, comes up. Maybe some corrections and a reconfiguration are necessary for this government to be more efficient and to change its weaker points into stronger ones.

[Wojciechowski] By points do you mean ministers?

[Kwasniewski] I mean ministers, administrators, collaborators, advisers. You know, the government is a huge machine. I think that advisers are passed over and not talked about much, but their role is often very positive and sometimes quite the opposite. So, this is it.

[Wojciechowski] Do you mean the prime minister's advisers?

[Kwasniewski] I also mean the prime minister's advisers. I think that one year in office is time for serious strategic thinking. I think that, when discussing the coalition agreement, which we have changed and corrected, there will be an opportunity to talk about it to the leadership of the Polish Peasant Party [PSL]. We can say how we assess this government and its ministers, how we see support for offices within the Council of Ministers, teams of advisers, because all of this contributes to the final result.

[Wojciechowski] You were talking about a strategic concept regarding the government. Do you mean personnel changes in the Council of Ministers, and when?

[Kwasniewski] I think these are the issues that should be seriously discussed. Of course, it is not a matter for discussion on the radio, which you are trying to coax me into. But it must be a conversation about personnel matters among politicians responsible for the situation in Poland.

[Wojciechowski] It was said until recently that the coalition is in crisis, that there are new emerging conflicts between the the PSL and the SLD. Is the present situation helping to consolidate both parties?

[Kwasniewski] Yes, it helps to some extent. The fact that there is a threat from the president, that there are requests to end the Sejm's term earlier, makes the parliamentary unity of the coalition stronger. As I said, recent voting has proved that. On the other hand, as for coordination within the coalition, within the leadership, this better coordination came about after that famous night meeting of both floor groups because it came as a warning signal for the leadership of the government and ourselves in the coalition. This coordination is better but still far from desired. The recent case of Minister Olechowski clearly shows that we are being surprised by some events, which in my opinion are not fortunate.

[Wojciechowski] Does it mean that the SLD is of a different opinion from that of the PSL in Olechowski's case?

[Kwasniewski] No, one could discuss foreign policy, and I think that the foreign policy implemented by Minister Olechowski has both very strong and some weaker points. But nobody is perfect, including Minister Olechowski. It must be said that 1994, which was the year of this government, was not a lost year for foreign policy. Moreover, fears associated with a PSL-SLD government—that it would not have any foreign partners and would be viewed with suspicion—have proved to be wrong. This government, thanks also to Minister Olechowski, the prime minister, and the Sejm speaker, who traveled a lot—I could pay a little tribute to myself—it was naturally received as the democratically elected government and with interesting ideas. So we cannot talk about a failure of foreign policy. However, if we want to assess our eastern policy, due to objective reasons and some oversights it looks much worse.

[Wojciechowski] It is surprising because you did not say yes or no. You answered by giving this long argument, and the conclusion here is that you assess Olechowski differently.

[Kwasniewski] I do not think Prime Minister Palwak's opinion is negative because, at the coalition meeting, we suggested that, because Minister Olechowski resigned, his request should be sent to the president because, if someone wants to resign, his request should be met. However, the prime minister, on his own and without consulting us, decided differently. He wants to keep Minister Olechowski but is taking this opportunity to criticize him. It would not be bad if it took place in an office and if it were a regular conversation between the head of government and his subordinate, the minister, and not as a front page sensation and in public statements, letters, interviews, etc. All of this causes confusion and, in my opinion, concentrates public opinion on secondary issues. I respect personnel policy, but it is not the most important. What is far more important is the kind of foreign policy we want to implement in 1995 and whether we can find broad support in and outside parliament and among the public for this policy.

[Wojciechowski] Could we talk for a moment about the most important issues? Do you think the president will succeed in dissolving parliament?

[Kwasniewski] I think he has no reason to do so. The budget is over in the Sejm and the Senate. It is the first time in many years that it has happened so quickly. Poland has a budget that has been adopted by the Sejm by the end of the year. It was adopted with a huge majority, a two-thirds majority. There was a similar situation in the Senate, but the support there was even greater. Now the president has one month to have his say on the budget. If he decides to veto it, it is quite obvious this Sejm will reject his veto. So, the budget procedure will be concluded. In the meantime, it is necessary to finalize one more of the problems, and that is taxes. The Constitutional Tribunal will meet on 12 January to announce its verdict. Then the situation will be clearer—yes or no. Everything will be clear from the legal viewpoint. In my opinion, there are no reasons for this sort of action. There are no constitutional reasons to...

[Wojciechowski, interrupting] I am not asking about reasons, but if he would be able to do that.

[Kwasniewski] Well, I hear about various scenarios, which on the one hand are very dramatic, sometimes comic or absurd. But because there is so much talk about them, and everyone talks so calmly about them, I have the impression that nobody believes in them. Try and imagine a situation whereby the president illegally dissolves the Sejm, and then this Sejm has to meet to assess this illegal action by the president. This is the situation where two centers of power do not exist and things are completely out of control. This is not funny. One should be really scared of such a prospect. However, because nobody is scared and everyone goes around talking openly about it, nobody really believes in these scenarios—neither the president nor Minister Falandysz, I, and the Sejm and Senate speakers. I think there is enough common sense in Poland and among politicians that, even if they make mistakes, they would not let themselves be brought to the verge of a tragedy.

[Wojciechowski] Do you think the president wants to overthrow the government, and will he succeed in doing so?

[Kwasniewski] I think the president is critical of this government, and he is entitled to that. However, I think that he argues with this government in an inappropriate manner because cohabitation is a phenomenon that occurs not only in Poland. France survived a socialist president and a right-wing government and did not lose anything in its international position, and it solved economic problems. I think one should not talk about love in politics. Liking and disliking are matters for individual politicians. The constitutional duty to make this cooperation efficient and effective now belongs to the president, the prime minister, the government, and us in parliament. We are meant to solve problems, adopt the budget, implement it, protect economic growth, fight inflation and unemployment, and reform social policy. There are many things that need doing. I think that perhaps when all the political and campaign speculating is over...

[Wojciechowski, interrupting] In a year's time?

[Kwasniewski] It would not be good if it were to happen in a year's time, but if everything went very badly it would be in a year's time. Everything will return to normal, but I believe there is still a chance that this will happen in the next few weeks, when the budget and tax issues are solved. Everyone will know that these sorts of actions, apart from creating fuss and concern, do not solve anything.

[Wojciechowski] Now the last questions. It seemed until recently that the coalition respected the president's right to appoint three presidential ministers. Did the coalition change its mind? Do you still respect this right to appoint three ministers?

[Kwasniewski] The Constitution is clear here. There are ministers, members of government, appointed at this first stage by the president at the request of the chairman of the Council of Ministers. In the case of these three ministers, the president's opinion must be sought. I think that the only reasonable solution is talks, where maybe more than one or two cadidates should be considered. Those talks should be internal, in a small group. If there are people who are trusted by the prime minister, the president, and the coalition, I think those people should be found and appointed. However, if the compromise is called Okonski, it is obvious that there is no compromise and that any talks are pointless. However, the procedure is clear: The prime minister suggests and the president appoints, and, in the case of these three ministers, there must also be the president's opinion. So it must be agreed with the president in a special way. But this is not exclusively the president's decision.

[Wojciechowski] Your are in a very compromising mood this morning. Is it because you are leading the presidential polls?

[Kwasniewski] I am generally a person of compromise. I am even accused sometimes of being a person of compromise. I am convinced that conflicts are not a good way to do politics. Sometimes they cannot be avoided because there really are conflicting interests, and this cannot be avoided. I think that creating conflicts by politicians is very disastrous. Here at this table in Radio Zet, on numerous ocassions I have argued with Minister Falandysz, who understands politics as a battle, a conflict, and a clash of interests, and I think that, while interests may differ, the politician's job is to look for compromises and solutions. I think there is still a chance, and I encourage the president to agree that, after the budget, this strategic plan, a good plan for 1995, is worth making. It should be made together with the prime minister, the main coalition members, and maybe opposition members so that we do not waste time. Let us remember when we view the situation in the east, in Russia, in Chechnya, and what is happening in West Europe, that it is clear that 1995 may be decisive for our part of the world. It may be—I think the IMF head said this—it may be the first European league or the second or even worse. I think we should be aware of this moment in time. It may be missed because of our involvement in domestic affairs.

[Wojciechowski] Thank you very much for the interview. Aleksander Kwasniewski, SLD leader, is the guest of Radio Zet. Thank you.

[Kwasniewski] Thank you. Goodbye.

UW Discusses Possible Presidential Candidates

WS0601152395 Warsaw GAZETA WYBORCZA in Polish 6 Jan 95 p 3

[Article by Wojciech Zaluska and Dominika Wielowieyska: "UW on Presidential Candidates: Who Is the Fifth One?"]

[FBIS Translated Text] *Hanna Suchocka, Jacek Kuron, Zbigniew Brzezinski, Andrzej Zoll—these are the names mentioned by Freedom Union [UW] members in connection with the presidential elections. There is one more, a fifth candidate, about whom the UW members refuse to talk.*

At a meeting of the UW Presidium on Wednesday, the leaders agreed upon procedures for nominating the party's presidential candidate. It still remains to be approved by the UW Council. "The final decision on who the presidential candidate is to be will be made at the party congress scheduled for spring," we were told by Jan Litynski.

Tadeusz Mazowiecki presented a report yesterday on his talks with the right wing. He mentioned the names of three candidates acceptable to the majority of the post-Solidarity camp. "We do not yet have a candidate who would agree to run in the elections and, at the same time, have the support of several parties," said Jan Maria Rokita.

GAZETA WYBORCZA learned from unofficial sources that Mazowiecki spoke of Zbigniew Brzezinski (currently residing in the United States and former state security adviser to President Carter) and Professor Zoll (head of the Constitutional Tribunal). Brzezinski's candidacy is said to have raised the least objections (although the Christian National Union protested). He himself, however, has definitely refused to run.

The third name remains veiled because participants in the meeting promised Mazowiecki they would not reveal it. All that is known is that the candidate is currently contemplating whether to enter the presidential race.

The most often mentioned UW candidates are Hanna Suchocka and Jacek Kuron. Both attract different constituents: center-right and center-left, respectively. Both also raise objections within UW itself.

UW members whisper that Prime Minister Suchocka did not take full advantage of the popularity she had as head of government; therefore, her chances may be slim. A part of UW, especially the liberals, would like to persuade Kuron to demonstrate greater restraint toward the Democratic Left Alliance [SLD] (and to change his clothes). "UW voters, whether leftist or rightist, do not like the SLD. Jacek should take that into account," we learn from a member of the former Liberal-Democratic Congress. "He should base his campaign on the assumption that we are in opposition to the SLD-Polish Peasant Party alliance."

Kuron's supporters hope that, even though some UW members currently do not approve of him, they will soon change their minds. "It will turn out that UW has no choice but to support Kuron," says Zbigniew Janas of the UW "left." Janas does not believe in the success of talks with the right.

Bronislaw Geremek, head of the UW Parliamentary Club, claims that the right wing should support his party's candidate because it is the strongest opposition group. Professor Geremek believes that the UW candidate will become Lech Walesa's direct rival—in the first round of elections. If he makes it to the second one, most probably contending with a postcommunist candidate, his chances will increase. He can capture the votes of those who will do anything to prevent a representative of the current coalition from becoming president.

SDRP Discusses Options of Government Reshuffle

LD0801165395 Warsaw Radio Warszawa Network in Polish 0700 GMT 8 Jan 95

[FBIS Translated Text] The Social Democracy of the Polish Republic [SDRP] Supreme Council has put forward a proposal to the Polish Peasant Party [PSL] that talks be started on appointing a joint candidate for the presidential elections.

Jerzy Szmajdzinski, SDRP secretary general, said that, in the forthcoming presidential elections, the Democratic Left Alliance [SLD] and the PSL should not put forward two candidates who would compete against each other because this could lead to a crisis in the coalition. The SDRP called on the PSL to begin talks on the joint candidate without any initial preconditions. The SDRP Supreme Council also believes that a government reshuffle and appraisal of work of all the ministers is necessary and, at the same time, comes out in favor of the reorganization of economic ministries.

The SDRP leaders hope that the president can be persuaded to agree to such a reorganization that would involve personnel changes in the government. President Lech Walesa, however, exercising his powers, could block all dismissals and appointments of ministers. It is also possible that the so—called constructive no-confidence vote can be used, which would mean the coalition dismissing its own government and appointing it again in a slightly altered composition. In such a case, the president would not have the possibility to block the nominations.

In keeping with the small constitution, the president can exert his influence on dismissals and appointments of ministers in the existing government, but he has to accept the first composition of a new cabinet appointed by the Sejm majority without any changes. Such a solution would also give the coalition a chance to install its own candidates in the so-called presidential ministries: the Foreign Affairs Ministry, the Internal Affairs Ministry, and the National Defense Ministry.

Former Landowners Press for Compensation

LD0801202995 Warsaw Radio Warszawa Network in Polish 1800 GMT 8 Jan 95

[FBIS Translated Excerpt] A meeting of the All-Poland Borderlanders Association [Ogolnopolskie Stowarzyszenie Kresowian]—State Treasury creditors was held in Warwaw. The chances of receiving compensation for property abandoned in the borderlands of the Republic were discussed, including the acquisition of land and buildings left behind by the Russian Army. The meeting talked about the Reprivatization act, which has still not been passed by the Sejm.

The association's president, Krzysztof Ilnicki, said a motion had been passed to collect signatures to a letter to President Walesa about speeding up the Sejm's work on the Reprivatization Act, and also to a letter to the ombudsman concerning the outstanding claims of those who used to live on the other side of the River Bug against the Agricultural Property Agency [AWR] and the State Treasury.

[Begin recording] [Ilnicki] Above all, we discussed those matters linked to property vacated by the Russians, property that is going to rack and ruin at the moment because there is nobody to guard it or take care of it, and there is no money to manage it. And, in view of this, some provincial governors have at last seen the light and have said that something has to be done about it—for instance, give it back to those who used to live on the other side of the River Bug in exchange for their documents.

Second, I proposed to our members that they sign two letters—one that sets out our dissatisfaction with the work of the Sejm, which rejected the Reprivatization Act in a disgraceful way, and the other to the ombudsman, in which we restate our outstanding claims against the AWR.

[Correspondent Andrzej Jelenski] You acquire the so-called post-Russian property by competitive tender.

[Ilnicki] In some cases, in the rare cases where provincial governors are well-disposed toward us, we take over part of that property by tender. [passage omitted]

[Jelenski] How many members have you, more or less, in the association?

[Ilnicki] We have approximately 120,000 members nationwide. There is no legal way to obtain any other kind of property. The very fact that reprivatization has not been passed and is not being passed puts Poland as a country in a state of uncertainty for future investors. [end recording] [passage omitted]

Foreign Minister Summarizes Diplomatic Efforts

AU0801202595 Bucharest CURIERUL NATIONAL in Romanian 29 Dec 94 pp 1,4

[Interview with Foreign Minister Teodor Melescanu by Cristina Oroveanu; place and date not given: "Our Start Was Late, But Now We Have Caught Up With the Pack and Hope for a Place on the Winners' Platform"]

[FBIS Translated Excerpt] [Oroveanu] Mr. Minister, before I ask you any questions, if you do not think it too formal, please briefly analyze the current international situation. I know it is difficult, but considering your experience, I am sure it is possible.

[Melescanu] I would say that this year was the year of great hopes, but also of much incertitude. [passage omitted]

If I were to describe the situation in Europe—and to a certain extent this could be valid for the rest of the world as well—I would say that after a period of confrontation that nevertheless ensured stability, we entered a period of cooperation period that, however, induces instability. Perhaps this is the most worrying phenomenon we have to face: instability generated by the disappearance of the bipolar model. Similarly, an equally disturbing phenomenon is the perpetuation—and in some cases even increase—of economic problems; of the lag that unfortunately exists also in Europe between the less- and the more-developed regions of the world, between the North and the South, as I have said before. Thus, we are currently at a crossroads, and all the world's nations—especially those countries bearing high responsibility and having broad possibilities—have to make a fundamental choice. In other words: They could try to isolate themselves, each in its own territory, or within the structures of which they are members ,in order to perpetuate their privileges and their petty comfort. Or, on the other hand, they could genuinely accept the idea of a real partnership in which everyone could cooperate and mutually help one another so that we could step into the 21th century together.

From this point of view, I believe that the European structures represent a genuine laboratory in which the latter variant is being tested. It is my personal conviction that if there are chances to succeed—and I am referring primarily to our integration into Western and Euro-Atlantic economic, political, and security structures—this will also positively influence the way in which North-South relations are approached.

[Oroveanu] Where is Romania situated, in this whole array of evolutions you have described, Mr. Minister? And what were the challenges Romania had to respond to?

[Melescanu] I believe Romania is facing two or even three challenges. First, we have been, and are still, facing difficulties stemming from our own transition, which is not a simple process at all. That is one of the great challenges we must respond to. We have to accept the idea that we must make efforts in order to to be able to overcome the situation we inherited and to manage to erect a high-performance system—without which we will never be able to approach the future. I would say that this is the first and greatest challenge Romania faces—and one to which it has responded, to a certain extent and at very high costs.

The second great challenge is related to the collapse of the system our country used to belong to, which was an unequal system dominated by a superpower but one that nevertheless guaranteed a certain degree of functionality. I believe this explains why we need to reorient ourselves, and the goal of our integration into European and Euro-Atlantic structures is one of our priority objectives. We have to try to attach ourselves to a durable and predictable system that can offer Romania two of the things it badly needs: namely, stability and a predictable development on the European—and even world—plane.

Finally, the third and equally important challenge is that of remodeling our own outlook, bearing the heavy burden of the totalitarian, communist past. In Romania, communism has died, but the communist mentality hasn't. Here, I would also add a certain historic challenge, let's say. I mean this heritage of ours, which we are still bearing inside us but of which we will have to rid ourselves.

From this point of view, I would like to emphasize that the changing of our mentality is much more complicated than it seems at first sight. For instance, on the international plane, it must not mean that we should automatically reject everything we inherited—because not everything we did in international relations, not all the actions initiated by Romania, were necessarily wrong just because they took place during the Communist regime. It seems to me simpler—or rather more simpleminded—to say that we have to do everything differently from the way it was done before. I believe this is also one of the great challenges we have to face—I mean at least us Foreign Ministry people.

[Oroveanu] For Romanian diplomacy—and I do not mean just the Foreign Affairs Ministry, but also other institutions, such as the presidency or parliament—the past years have been a kind of race with hurdles, some of which were natural, while others were placed on the track by circles interested in a certain development of Romania—or placed there by ourselves, also owing to divergent interests. How would you describe the course of this race, or what would you say were its essential moments?

[Melescanu] I have to tell you that you blundered by switching over to the domain of sports in our conversation, because sports is the field in which my expertise is unanimously accepted and never contested.

You are right. If we were to imagine this route of Romania's as an obstacle course, I would describe it as a

3,000-meter course with the most varied obstacles we have ever, or have yet to, overcome.

I said a 3,000-meter course because that seems to me the most difficult one. Well, in this 3,000-meter race, Romania missed the start. Our start was a very late and very painful one. We stumbled after the first steps, and kept banging into each other in the first few meters.

Compared to the other states participating in the race, however—and I am referring to the other countries in our region—Romania is an extremely strong athlete. This means a potential market consisting of 30 million Romanian-speaking people: that is, consumers of merchandise with instruction manuals written in Romanian. It means a country with special natural and human resources compared to our neighbors; and it means a country with a very important geographic-strategic position. Furthermore, let us not forget the democratic traditions of Romania's state structure and public services, a thing that is never or hardly ever mentioned.

It is true, we have many problems, too: There is bureaucracy and corruption. But one should never forget that, compared to the other states that became independent overnight and that now have to rebuild their entire structure, Romania already has such structures and a democratic tradition. Therefore, to resort to the image you used, it is an extremely strong athlete; and I believe that despite our having missed the start, we are now running with the pack. We have managed to overcome a difficult period. Ever since I returned home to be a state secretary and then a minister, I have had the feeling that we were running to catch up with the pack. However, now I believe—and I think Essen was the consecration of this fact—it is my conviction, that we are running with the pack, together with all the others; and I would even say that since we have joined them, we can safely hope to gain a place on the winners' platform, among those who rank first.

However, I would also add that perhaps it is not important whether we win any of the prizes. What matters infinitely more is the fact—and of this I am certain—that Romania will finish the race in a way that will allow it to participate in further races. In my opinion, this is the image describing the current situation, if one resorts to the metaphor you proposed.

[Oroveanu] Mr. Minister, for the experts and anyone closely following Romania's international contacts, there is no need to explain why Romania wishes to join NATO. However, such explanations could be useful for our readers at large. That is why I would like you to present the reasons.

[Melescanu] I believe the first reason, which sounds convincing to everyone, is the fact that Romania's integration into the North Atlantic alliance means the extension of the alliance's security guarantees over Romania as well. Our joining NATO would mean that any infringement of Romania's security would be regarded by the other members of the alliance as an infringement of their own security. Thus, the expansion of the security guarantees over Romania by countries such as the United States, France, Britain, or Germany—all countries with an extraordinary potential, and not just from the military point of view but also economically—would lend us the extra security we so badly need in order to be able to concentrate on our internal problems. Nevertheless, I would like to emphasize that it would be a mistake to consider our integration within the North Atlantic alliance a security issue alone. For us, this integration is exceptionally important, too, from the political and even the social angles. Romania's joining NATO would implicitly and also officially mean that our country has joined a system of very well-defined values. That is: The North Atlantic alliance consists of democratic countries that have committed themselves to taking joint action to promote those principles on the international plane. To us, it would be a clear signal that we have moved over to the Western world and that we share those counties' values and ideals.

I think it is not unimportant that our integration would also implicitly mean a more substantial support for the democratic evolutions taking place inside Romania. For us, joining NATO has the genuine significance of a fundamental choice.

[Oroveanu] We hope that you have noticed that our daily—which tries to be merely and simply a daily, the way U.S. and other dailies are—also publishes particular points of view. For instance, not long ago we published a point of view coming from Moscow regarding our integration to NATO, which provoked a reaction. How would you comment on Moscow's point of view as regards the East European countries' joining NATO?

[Melescanu] I believe it is quite normal for the Russian Federation to be concerned about the consequences the expansion of NATO could have on its own security. I consider it perfectly legitimate and justifiable that one should be concerned over how one could be affected by things happening in one's close vicinity. From that angle, I do not think there is any divergence in the way we see these things.

I believe that, like Romania, the Russian Federation has the right to seek the best ways to ensure its stability and security. I think the only difference lies in the way we assess the genuine impact of this expansion on the security and stability of the Russian Federation. And here I wish to reassure you that Romania does not wish to become, is not at all interested in becoming, a frontline country in possible confrontations with the Russian Federation. Therefore, from our point of view, it is as much in our interest as it is in that of Russia for the NATO expansion to represent an element of stability rather than one leading to confrontation. [passage omitted]

[Oroveanu] During one of your meetings with Chinese Prime Minister Li Peng, he said Romania holds an important position in Chinese foreign policy in this region. Is China also a privileged partner for Romania, or do we have other partners in that region as well?

[Melescanu] I would say that from the point of view of our foreign policy in the Southeast Asian region, on the shores of the Pacific Ocean generally, China represents one of our great priorities. I would say that for at least three or four reasons: First, regardless of what it is or how it is proceeding at a given moment, China is still one of the largest countries in the world, with an immense potential that has also been acknowledged by its becoming a permanent member of the UN Security Council. Therefore, relations with China are politically important for Romania, and this aspect will never disappear.

Second, I would say that these relations are also very important economically, because of the dimensions of the Chinese market, because China's is one of the most dynamic economies, and also because we have quite old traditions in such ties.

At the same time, we should not underestimate the fact that there is another type of relations, which I would call spiritual, that also play a role. Of course, we should not regard these as an exclusive capital, but I still think that this aspect should not be overlooked. Over the past years, in more periods more favorable or difficult, times better or worse, we established a certain kind of relationship, and now the Chinese political class, and perhaps the entire Chinese society, has a positive image of Romania. Besides its political and economic capital, Romania also has a sentimental one, and it is our duty to try to turn it to good account.

[Oroveanu] Don't you think, Mr. Minister, that this accentuated European policy of Romania could stir American reactions?

[Melescanu] I do not think so and I do not see any reasons why it should. Generally speaking, the current European priority orientation of our foreign policy should not be perceived as an exclusive approach, and I do not think it could negatively influence our relations with either the United States or the rest of the world.

I just mentioned the fact that we have to turn to good account the capital we have—and the need to make certain corrections and to reorient ourselves. Why did I mention these things? Because our European integration primarily means our status as associated members, and later on as full members, of the European Union [EU]. This is a very synthetic description of Romania's European orientation. However, I would like to tell you that to my mind—and I hope to many people in Romanian society—it is absolutely clear that this integration means, above all, that Romanian society has to develop economically, socially, and politically, a process that cannot be achieved without our cooperation with markets such as the U.S. market, or those of the other countries I mentioned. Our alignment to European standards does not just mean that we should adopt similar legislation. It also means that Romanian society has to make huge economic, political, and even social efforts to meet European standards. And such standards cannot be met just by issuing laws or decrees or by actions carried out smilingly by the foreign minister. Rather, [they can be met] by making extensive efforts, in which we should utilize all our trumps. And one of our trumps consists precisely of our relations with the United States.

Let me give you an example: After we were granted most-favored-nation status, our trade with the United States increased by 50 percent. Therefore, it is quite obvious that our European integration should not be perceived as something opposing our relations with other partners, such as the United States, and in other parts of the world, but rather as relations that are beneficial to our integration. After all, let us not forget that beyond their "small family quarrels," one of the most important trade flows in the world takes place between the United States and the countries belonging to the EU. In addition to this, the security of the west European countries is to a great extent still based on the U.S. military presence. Therefore, I would describe these relations as complementing each other, rather than a competitive relationship between our European and Euro-Atlantic endeavors. [passage omitted]

Minority Self-Governments To Be Created

LD0701201595 Budapest Kossuth Radio Network in Hungarian 1700 GMT 7 Jan 95

[FBIS Translated Excerpt] The Hungarian Democratic Union of Romania [HDUR] is celebrating the fifth anniversary of its foundation in Cluj-Napoca [Kolozsvar] today. It was said, among other things, at the meeting that the HDUR has worked out a concept of a system for minority self-government, despite being aware of the fact that those in power may not allow this. Peter Marvanyi reports from the scene.

[Marvanyi] HDUR chairman Bela Marko, analyzing the HDUR autonomy concept at the festive conference in Cluj-Napoca said that neither violent coexistence nor violent separation is a feasible option.

Ideas about self-government soon came into confrontation with the idea of a nation state, which is growing stronger in Romania. Concepts that are understandable and unambiguous to the Hungarians of Transylvania [erdelyi], such as self-determination, autonomy, and collective rights—I am quoting Marko—were received in the West with greater incomprehension than expected.

Autonomy concepts had to be drawn up taking into consideration the fact that, since Trianon [peace treaty], the ethnic composition of Transylvania has changed, and there are ethnic Hungarians who have got into a minority or diaspora situation in their own native locality—said the HDUR chairman, recalling the three-tiered concept of autonomy: personal, local, and regional. The HDUR drew up its own minority bill proposal on this basis.

Marko then said that the institutional network of minority self-governments has to be built up and the HDUR transformed in that direction, even if the state itself does not give a real scope of authority for autonomy. [passage omitted]

Hercules Transport Planes To Replace Antonovs

AU0801165295 Bucharest ADEVARUL in Romanian 28 Dec 94 p 12

[Article by Nicolae Militaru: "Air Force To Be Equipped With Hercules Planes"]

[FBIS Translated Text] In 1995, the Romanian Air Force will replace its Antonov (AN-24 and AN-26) transport planes with U.S.-made Hercules C-130 planes. The first planes of this type, currently at a base in Germany, will be brought over at the beginning of the year for technical, tactical, and strategic tests. After they pass the tests, other planes of this type will be brought over, planes that were manufactured in 1960-1970 and are equipped with new, high-performance engines and stored at a base in California. The amount of flying hours of these planes is about 100 hours. Compared to the old Antonov aircraft that have two engines, the Hercules-C-130 have four engines, with a nine-12 hours automatic flight time. Their maximum speed when fully loaded is 600 km/hour, compared to the 450 km of the Antonov planes, and they can carry a maximum load that is about four times greater than the capacity of the Antonov planes. A Romanian pilot will need 1,800 flying hours in order to become an instructor on such a plane.

The Hercules aircraft will be bought with a view to Romania's association with NATO, in order to carry out missions of a strategic nature and in cooperation with other countries.

Commissions Suggest Funds Be 'Supplemented'

AU0801165395 Bucharest ADEVARUL in Romanian 28 Dec 94 p 12

[MEDIAFAX report: "In Order To Avoid Further MiG Airplane Crashes, Parliamentary Commissions Suggest Supplementing National Defense Ministry's Budget"]

[FBIS Translated Text] The Commissions for Defense, Public Order, and National Security of the two Chambers of the Romanian parliament examined the budget allotted for defense in the draft state budget law for 1995 and suggested that the funds allocated for expenditures be supplemented by 180 billion lei. This amount is meant mainly for the Air Force, and particularly to uphold the program of modernizing MiG-21 planes.

Barcau River Pollution Being Investigated

AU0501192195 Bucharest Radio Romania Network in Romanian 1400 GMT 5 Jan 95

[FBIS Translated Text] The measures taken to confine the effects of the pollution that took place on the Barcau River were examined today at the headquarters of the Office of the Prefect of Bihor County.

At the conclusion of the meeting—which was attended by representatives of the Waters, Forests, and Environment Protection Ministry; the Apele Romane [Romanian Waters] Public Corporation; and the Petrom Oil Public Corporation—they issued a communique saying, among other things, that thanks to the efforts of Romanian and Hungarian experts, the pollutants have been eliminated to a great extent. The precise source, exact chemical structure, and quantity of the pollutants are currently under investigation. Our correspondent Stelian Radu Cacuci informs that the authorized state bodies are making inquiries to clear up the causes that led to this pollution incident.

Article Claims Northern Rivers Extremely Polluted

AU0801165495 Bucharest ADEVARUL in Romanian 28 Dec 94 p 1

[ROMPRES report: "Cyanide Found in Somes, Cavnic, and Lapus Rivers"]

[FBIS Translated Text] Extensive stretches of the Somes, Cavnic, and Lapus Rivers—and particularly the Sasaru River that crosses the locality of Baia Mare (Northern Romania, Maramures County]—are extremely polluted. The metallurgical and mining industries, and local land management activities, are the major sources of the pollution of these rivers in Maramures. Through the mining activities alone, over 26 million cubic meters of waste water is being discharged into them—in addition to the approximately 2,000 metric tons of slurry, 22,000 metric tons of residues, 25 metric tons of copper, more than 6,000 metric tons of zinc, and 26 metric tons of cyanide.

Ioan Gherches, director of the Environmental Protection Agency in Baia Mare, has informed us that the companies guilty of polluting the rivers feel it is much cheaper to pay the penalties than to take firm measures to stop or prevent the pollution of these rivers.

'Betrayal'of Constanta Workers Deplored

94BA0401B Bucharest ROMANIA LIBERA in Romanian 19 Aug 94 p 3

[Article by Al. Mihalcea]

[Text] It is strange that for a relatively short time a strange sort of pressure was put on one of the leaders of the Constanta drivers: Traffic policemen ask him to "pull over" without his having violated traffic regulations in any way, and he is faulted on the pretext of a useless check for drunken driving—which is totally useless since, as a driver as well as a trade union leader, this person never committed the slightest illegality. Following these checks, no reports are even drawn up.

The person involved feels it is a matter of the consequences resulting from his openly expressing his disapproval of the pact that Miron Mitrea made with the government. Begging that we do not make his name public, since he has heard of death threats and the pressures placed in Bucharest on those who separated themselves from Miron Mitrea by decisively resisting his attempts to enlist them forcibly in the Party of Social Solidarity, the Constanta leader gave us the following statement:

"Mitrea's treason did not just happen now; it began in 1990 with the drivers' strike and also continued at the two congresses in Eforie and Sinaia. What was being sought with the merger with the CNSLR was not the strengthening of the trade union movement but rather subordination of the trade unions to the government. I do not know who sponsored the congresses. I participated in both of them and can assert that, at least in Sinaia, it was a party, not a congress. It was an elimination maneuver of Ciorbea's and he made the mistake in December 1993 of accepting the merger, exactly one year since the congress at the Europa Hotel, that too being false.

As far as those whose names have appeared in your paper are concerned, Victor Stan and Mihail Vlase, I can state that according to the law Stan does not even have the right to be a trade union leader, while as a former party secretary, Vlase is imbued with Communist ideology.

Rumors were circulated that Miron Mitrea had been persecuted under Ceausescu. Now we see how persecuted he was! Many people are disgusted with Mitrea's treason but they are afraid because he is a government ally and would not hesitate to use its means against adversaries. At the November 1993 meeting he toyed with the governors, going all out to try and prevent the people from coming in from the countryside. I think his role was, precisely, to reestablish the 'transmission belt' to which the trade unions had been reduced and to establish a new 'transmission belt' between the government and salaried workers."

This person told me he has information that Miron Mitrea is a hunting partner of General Danescu of the Ministry of Interior and other high-ranking government people. On this occasion I recalled an unpleasant detail that struck me from the Europa Hotel congress: the multitude of bodyguards, more than for a head of state—which was completely inappropriate for the atmosphere of a meeting of drivers—and the clear distinction made between the ordinary people, whose interests were ostensibly represented by Mitrea, Vlase and others, and the government representatives, who had a special hall reserved for them with tables loaded with food, and access to the very best.

Law on Tax on Income From Agriculture

94BA0357A Bucharest MONITORUL OFICIAL in Romanian 2 Jun 94 pp 1-4

[Text of Law on Tax on Income from Agriculture"]

[Text] The Romanian parliament adopts the following law.

Article 1: Physical persons, legally constituted agricultural associations, juridical persons except those subject to taxes on profits and public or religious institutions and agricultural landholders, hereafter referred to as taxpayers, are legally required to pay taxes on agricultural income from lands situated in municipalities, cities and communes.

For the purposes of this law, taxpayers are defined as:

—any person who holds agricultural property, as well as

—any person who benefits from the provisions of Law No. 18/1991 on landholdings and to whom the right of land ownership has been given or restored and who, even if he has not yet received the deed for his property, has possession of the land by virtue of a provisional certificate or a formal statement granting him possession.

Article 2: The tax on agricultural income is an annual levy. It is calculated on income determined under the provisions of this law regardless of the locality wherein the lands are situated.

The taxable annual income is based on income norms established per hectare and prorated on the basis of the fertility zone, the suitability zone, and the types of land use. This formula is applicable for both cultivated and uncultivated lands, according to the annex that is an integral part of this law.

The tax rates established by this law may be adjusted annually for the rate of inflation. This adjustment must be accomplished through a government decree 3 months prior to the beginning of the next fiscal year.

Article 3: The tax is computed by the local financial organizations in the locality where the taxpayer is registered as a landholder, or in the locality in which legally constituted agricultural associations carry out their activities or, in some cases, where they are headquartered.

To organize tax collection in accordance with this law, the communal, city or municipal councils, or the Bucharest municipality councils, will ensure that land ownership records are maintained and kept up-to-date.

Article 4: The placement of land holdings within the proper fertility and suitability zones is done according to the provisions of this law.

Article 5: Taxpayers who obtain income from cultivating and selling flowers and vegetables in greenhouses or hothouses designed for those purposes; or using irrigated systems; or earning income from raising shrubs and decorative plants, from mushrooms, and from vineyards and fruit-growing must file a tax declaration by 1 April for the previous year. The tax will be computed based on the net income that is calculated by subtracting from the gross income expenses incurred in generating the respective income, including depreciation expenses.

Taxpayers in the categories enumerated in this article are obliged to document their income and expenses according to instructions provided by the Finance Ministry.

Article 6: Incomes determined on the basis of norms and net incomes obtained from farming by the taxpayers, and described in articles 2 and 5, are subject to an annual 15 percent tax rate, except for incomes from the years 1994, 1995 and 1996, for which the tax rate is 10 percent.

The tax due on income from sugar beets, sunflower seeds, soybeans, flax seed, hemp and cotton is reduced by 50 percent if 60 percent of the harvest is under contract with, and delivered to, agencies mandated by the state.

Article 7: Economic organizations will compute the tax on agricultural income owed by the taxpayer based on data from the documents relating to land ownership.

For legally constituted agricultural associations, the tax on agricultural income is computed for them in those cases where there is documentation on their establishment; otherwise it is computed for the physical persons who are in the associations.

For juridical persons who pay taxes on agricultural income, the tax is computed for their payment.

Article 8: When the taxpayer is a physical person who is liable for the tax, family members who reside with the taxpayer and who jointly benefit from the income earned from the farmland, as well as heirs who are in joint ownership, are responsible as a group for the tax liability specified by this law.

Members of associations, regardless of how they are organized, are each responsible for meeting the obligations specified in this law. In those cases where the tax liability is not paid by the association, the amount of their individual responsibility is based on the amount of land each brings to the association.

Article 9: The tax on agricultural income is paid in the proportions and on the dates listed below:

—50 percent by 1 September,

—50 percent by 15 November.

Each year, the financial organizations are required to produce and provide to the taxpayers, by 15 April at the latest, tax bills indicating the tax owed.

In accordance with this law, modifications of any kind that take place during the course of the year resulting in an increase in the amount of farm land will be used to establish new financial obligations beginning on the date these modifications went into effect.

Methods for payments in advance and payments not made on time are covered in the instructions referenced in Article 18.

Article 10: For failure to pay the tax due in accordance with the provisions of this law, the taxpayer must pay a tax penalty of .3 percent per day for each day in arrears.

Article 11: In those cases where the tax due on agricultural income was not computed on time, or the data declared not accurate, the computation or modification of the tax liability, as appropriate, will be based on the three years prior to the year the computation or modification is made, except for the exemption period specified in Law No. 18/1991 concerning agricultural land holdings.

There is a three-year statute of limitations on the right to demand a compulsory recalculation of taxes.

The tax or the difference in tax established under the conditions specified in this article must be paid within 30 days of the notice of liability.

The official responsible for the failure to prepare a tax bill in time is materially responsible to the extent of the computed increase in tax liability.

Article 12: When there is a loss to the harvest because of a natural calamity, the tax liability will be reduced in proportion to the loss in yield. The reduction will be based on the ratio of this loss to the average yield over the past three years of normal productivity for the respective administrative-territorial unit.

The reduction will be granted on the basis of a request for reduction that must be filed with the county general directorate of public finances and state financial supervision, or to the financial administration of the Ilfov Agricultural Sector, within 5 days of the natural disaster.

Within 10 days of the filing of the request, the financial organization receiving the request will conduct an on-site inspection with the landowner or landholder. An agricultural specialist from the local government organization will also participate in the inspection.

The reduction in tax liability will be granted on a one-time basis, from the findings of the on-site inspection. The reduction will be effective with the final date of payment, namely 15 November.

Article 13: When justified, the county councils, the Ilfov Agricultural Sector council and the local council of Bucharest Municipality may grant postponements in the payment, or payment by installments, of the tax due on agricultural income, or of late penalities.

The tax due on agricultural income is reduced by 50 percent for handicapped persons, and for those with grade I and grade II disabilities, as well as for physical persons over the age of 65 who work the land by themselves.

War veterans and war widows are excused from paying taxes.

Article 14: Taxpayers as defined in this law are not required to pay the tax on agricultural income for income derived from raising animals or fowl, beekeeping, or raising silkworms, as well as from selling wild fruits and mushrooms and medical products from wild plants or other produce collected from the wild.

Article 15: The following deeds are considered infringements if they are not already considered infractions according to the penal code:

(a) failure to make a declaration of tax liability according to Article 5;

(b) withholding from the tax liability statement any sources of income described in this law.

Infringements mentioned in (a) and (b) are punishable by a fine of from 300,000 to 1,000,000 lei.

Determining infringements and levying fines are the responsibility of the appropriate organs of the Finance Ministry and of the territorial fiscal organizations.

The infringements listed above are subject to the provisions of Law No. 32/1968 regarding the determination and punishment of infringements, with the exception of Articles 25, 25 and 27.

These sanctions may also be applied to juridical persons.

Appeals of these fines are addressed to the courts in the same manner as for physical persons.

Article 16: Taxpayers from communes may appeal the determination and payment of the tax on agricultural income within 30 days of receipt of the tax liability notice. The appeal is made either to the county general directorate of public finances and state financial oversight or to the financial administration of the Ilfov Agricultural Sector, as appropriate, that calculated the tax liability.

The organization receiving the appeal must resolve the appeal within 30 days.

The taxpayer may appeal the decision of the county general directorate of public finances and state financial oversight, or that of the financial administration of the Ilfov Agricultural Sector, within 30 days of the receipt of the decision. This appeal must be addressed to the Finance Ministry, which has 40 days to resolve it.

Taxpayers from cities, municipalities, or from the Bucharest municipal sectors, must address their appeals within 30 days of receipt of the tax liability notice to the financial district or administration as appropriate, which have 30 days to resolve them.

The taxpayer in these cases must appeal within 30 days the decision of the financial district or administration, as appropriate. This appeal must be made to the county or Bucharest municipal general directorate of public finances and state financial oversight, as appropriate.

The organization receiving the appeal has 30 days in which to resolve it.

The taxpayer may appeal the decision of the county or Bucharest municipal general directorate of public finances and state financial oversight, within 30 days of receipt of the decision. This appeal must be addressed to the Finance Ministry, which has 40 days to resolve it.

The findings of the Finance Ministry may be appealed to the courts in the territorial district where the taxpayer has his domicile or his principal residence, as appropriate.

The appeals process does not suspend the payment of the tax liability or the late penalty.

Any overpayment of the tax liability must be compensated for or returned, as appropriate, within 30 days of the notification of an overpayment or an appeal decision.

When there is a culpable failure to resolve the disagreements under the time limits established by this law, the government official at fault is materially responsible up to the amount of any late payment calculated for the time(s) in excess of these limits.

Article 17: Filings of disagreement regarding the establishment and payment of the tax due on agricultural income, or of late penalties, are subject to a stamp tax of 2 percent of the sum in contention. This tax cannot be less than 1000 lei.

A protest of an appeal is subject to a stamp tax at half the rate of the tax paid in the appeal.

A stamp tax is due regardless of whether or not another appeal or protest of the same action, filed and resolved earlier, was also taxed.

Taxpayers are obliged to specify, in their appeal or protest, the amount of money in contention.

In cases where the appeal is wholly or partially approved, the stamp tax is wholly or partially refunded in proportion to the reduction of the contested liability.

Article 18: Within 60 days of the date this law goes into effect, the Finance Ministry will submit, for government approval, instructions for the methods of calculating and regulating the tax on agricultural income and the appropriate forms for tax liability notification and collection.

Article 19: Failure to adhere to the provisions of this law will result in disciplinary actions, fines, or penal actions, as appropriate, as well as in material or civil actions according to existing legal norms.

Article 20: The tax on agricultural income established by this law constitutes income for local budgets.

Article 21: Until new regulations concerning proof of agricultural holdings are adopted, it is the responsibility of the taxpayer to provide the correct fiscal evidence of his holdings.

Article 22: This law goes into effect on 1 July 1994.

For the year 1994, the tax due is based proportionally on the period that this law is in effect, and only on income earned after the law goes into effect.

The obligations specified in Article 5 must have been fully complied with by 15 August 1994; the obligation in Article 9, paragraph 2, by 1 September 1994; and the obligation to pay the tax specified in Article 9, paragraph 1, must be 50 percent completed by 15 November 1994, and the remaining 50 percent by 15 December 1994.

Article 23: On the date that this law goes into effect, those dispositions that have remained in effect from Law No. 2/1977 concerning tax on agricultural income (articles 11, 15, 19, 20, and 22-33) and Point 3 of Chapter II of the annex of Government Ordinance No. 15/1992 regarding local levies and taxes, approved in Law No. 114/1992, as well as any other contradictory dispositions, are abrogated.

This law was adopted by the Chamber of Deputies in the 11 April 1994 session in accordance with the provisions of Article 74, Paragraph (2) of the Romanian Constitution. It was reviewed by the Chamber of Deputies in the 30 May 1994 session, in accordance with Article 145 of the Romanian Constitution, in conformity with Constitutional Court Decision No. 49, of 17 May 1994. [signed:] Chairman of the Chamber of Deputies Adrian Nastase

This law was adopted by the Senate in its 18 April 1994 session, in accordance with the provisions of Article 74, Paragraph 2, of the Romanian Constitution. It was reexamined by the Senate in its 25 May 1994 session in accordance with Article 145 of the Romanian Constitution as a result of Constitutional Court Decision No. 49, of 17 May 1994. Senate Chairman, Professor Dr. Oliviu Gherman. Bucharest, 30 May 1994 Nr 34.

Annex

Norms for Taxable Agricultural Income

A. ....thousands of lei/per hectare/per year

Number	Type of Use	Fertility Zones				
		I	II	III	IV	V
1.	Arable	141	114	92	48	20
2.	Vegetable gardens	1,050	945	640	480	—

B. ....thousands of lei/per hectare/per year

Number	Type of Use	Zones of Suitability				
		I	II	III	IV	V
1.	Livestock, beginning with their second year	920	900	880	810	250
2.	Fruit orchards, raspberry and strawberry fields, beginning with the second year	1,150	975	840	750	500
3.	Pastures	70	60	50	40	30
4.	Hayfields	80	70	60	50	40

C. ....thousands of lei/per hectare/per year

Number	Type of Use	Income Norms for All Zones
1.	Forest lands with timbering activities	50
2.	Other agricultural terrains (streams, lakes, ponds)	35

* * *

Decree by President of Romania Promulgating the Law for Tax on Agricultural Income

On the basis of Article 77, Paragraph (3) of the Romanian Constitution, I hereby promulgate the Law for Tax on Agricultural Income and order it to be published in the MONITORUL OFICIAL of Romania.

Ion Iliescu
President of Romania
Bucharest, 30 May 1994
No. 85

Izetbegovic Supports Plan To Lift Arms Embargo

LD0701094495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 7 Jan 95

[FBIS Translated Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and Muhamed Sacirbegovic, our ambassador to the United Nations, have sent a letter to U.S. Senator Robert Dole, in which they express their support for his proposal that the United States should lift the arms embargo unilaterally on 1 May this year.

In the letter, the president of the Bosnia-Herzegovina Presidency stresses that the preliminary cease-fire agreement should end by then and Karadzic's Serbs will either have accepted the Contact Group's peace plan or resumed the war. The Bosnia-Herzegovina Government considers the proposal completely in line with the search for peace in our country, Ambassador Sacirbegovic emphasizes in the letter.

Izetbegovic Meets Assistant U.S. State Secretary

LD0801201595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Jan 95

[FBIS Translated Excerpt] Assistant U.S. Secretary of State Richard Holbrooke this evening met at the state presidency with Presidency President Alija Izetbegovic, Prime Minister Haris Silajdzic, and ministers Hasan Muratovic and Enes Karic. The talks centred on the Contact Group's plan. More from Senada Cumurovic.

[Cumurovic] Following a one-hour meeting at the Presidency, Richard Holbrooke addressed reporters. [passage omitted] The Contact Group is currently holding [word indistinct] meetings and, according to Holbrooke, will hold a high-level meeting on 10 January, after which the members of the Contact Group are expected to visit Belgrade, Zagreb, and Sarajevo—probably at the end of next week.

In the first stage, the members of the Contact Group will meet with all those involved in their shuttle diplomacy, Richard Holbrooke told reporters and added: There can be no peace if both sides do not accept the Contact Group's plan. The Bosnian Serb side refused to accept the plan, and this is the problem. If they agree to accept the plan, we shall have peace in Bosnia. Assistant U.S. Secretary of State Richard Holbrooke said that the talks would continue 9 January.

Mladic: U.S. Policy on Bosnia 'Encouraging'

LD0601174195 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 6 Jan 95

[FBIS Translated Text] Colonel General Ratko Mladic, commander of the main headquarters of the Srpska republic army, told the daily VOJSKA that the international community has found itself in a quagmire in Bosnia-Herzegovina because the war has acquired unexpected dimensions and is threatening to slip out of control.

The U.S. Administration is currently pursuing an encouraging course which might lead to peace, Mladic said and added that, in view of the experiences of former Yugoslavia, he did not believe that the war in Russia, in Chechnya, was being waged quite by chance.

Commenting on UNPROFOR's [UN Protection Force] role in the areas engulfed in war, Gen. Mladic said that a significant number of members of the peacekeeping forces in former Bosnia-Herzegovina were performing their tasks in line with their mandate and exposing themselves to all kinds of risks on a daily basis—but that some of the Blue Helmets should be viewed as vehicles for the implementation of the new world order's policy of violence.

Confirming that the cessation of hostilities on the territory of former Bosnia-Herzegovina was mostly being honored, the commander of the main headquarters of the Srpska republic army said that fighting was still going on between forces of the 5th Corps loyal to Bosnian President Izetbegovic and the People's Defense of Western Bosnia and that clashes were occasionally breaking out between the Croats and Muslims. They would again be at each other's throats if UNPROFOR were to withdraw, Gen. Mladic told VOJSKA.

'Unacceptable' Serb Demands End Joint Meeting

AU0601200795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Jan 95

[Interview with Hasan Muratovic, minister of the State Committee for Relations With the United Nations and minister in the Bosnia-Herzegovina Government, General Mustafa Hajrulahovic, and General Vahid Karavelic by Senad Slatina in Sarajevo on 6 January—recorded]

[FBIS Translated Text] [Slatina] Some time before 1700 [1600 GMT], the members of our negotiating team—Minister Muratovic and Generals Mustafa Hajrulahovic and Vahid Karavelic—returned from the second meeting of the central joint commission. Mr. Minister, the last meeting ended without any agreement being reached. Was this meeting more fruitful?

[Muratovic] This meeting was also unsuccessful. In talks with the UN Protection Force [UNPROFOR] yesterday, we solved the problem that was the cause of the last meeting breaking up. Today the Serbian side came out with new demands that are absolutely unacceptable and which neither we nor UNPROFOR will ever accept. That is why talks on other issues were also suspended, including talks on the blue routes, which we had already agreed upon and which, according to the new variant of the agreement that we were supposed to sign today, were to be opened on 8 January, the second day of the Serbian Christmas, at 0700.

[Slatina] General Hajrulahovic, did you receive any guarantees that the attacks on protected areas, primarily Bihac, would stop?

[Hajrulahovic] The suspension of offensive combat operations of both Karadzic and Martic's chetniks on the Bihac protected area was a precondition for today's talks from the very beginning. However, reports that are coming in from the 5th Corps indicate that the offensive has not stopped. However, Gen. Rose reported that these offensive actions were partially suspended during our meeting, so we decided to hold the talks. We believed the United Nations and this demand became a part of the document: We demanded that offensive combat operations be suspended and that all foreign troops withdraw—primarily the Serbs from Croatia—from the Republic of Bosnia-Herzegovina.

[Slatina] Gen. Karavelic, what military agreements have been reached regarding Sarajevo? What did the Serbian aggressor side demand [words indistinct]?

[Karavelic] The aggressor side demanded that—after several of these meetings and prior to opening the blue routes—it be allowed to inspect [words indistinct] in the demilitarized zone. Today's document—the one that should have been signed—would have been signed had this issue been solved, and it would have been solved since I had accepted the demand. However, the new, additional demands, the ones Mr. Muratovic mentioned earlier....

[Slatina, interrupting] He did not say anything about these additional demands. What were they about, what did they demand?

[Karavelic] I was just about to elaborate on this. The aggressor side—and this is absolutely out of the question—is demanding, has a new interpretation of the demilitarized zone, the demarcation zone [sentence as heard]. They wish to include into the demilitarized zone a part of the free territory liberated by our forces last fall, at the end of last year. That is one of the main reasons for today's lack of success in negotiations.

[Slatina] Mr. Muratovic, before we end this interview, can you tell us whether this has endangered the negotiating process?

[Muratovic] I first have to tell you that Gen. Rose said that only the territory drawn into the maps can be considered the demarcation zone, and he absolutely rejected the Serbian demand. Moreover, he asked New York to confirm his interpretation of the [word indistinct]. I believe that the process will continue. The next session—Gen. Rose is supposed to schedule it—will include Generals Delic and Mladic. Once the Serbs understand that they can only get what has been agreed upon and is stipulated by the documents, I am sure that they will resume negotiations and that they will proceed as planned.

Serb Negotiator: Headway Made at Airport Talks

LD0601230695 Belgrade SRNA in Serbo-Croatian 1955 GMT 6 Jan 95

[FBIS Translated Text] Sarajevo, 6 Jan (SRNA)—Aleksa Buha, minister of foreign affairs of the Srpska republic, told SRNA that, despite the fact that a series of issues has been left unresolved, a certain amount of headway has nevertheless been achieved at a meeting in Sarajevo Airport today of the central commission on implementing the agreement on a four-month cessation of hostilities.

First it was agreed that representatives of all three warring sides and UNPROFOR [UN Protection Force] should meet in mid-January in order to define confrontation lines, observation points along these lines, and to set out locations for troops that are to be introduced.

According to Buha, the Serb side and UNPROFOR have agreed to exchange liaison officers on 8 January—two Serb officers are to go to Gornji Vakuf and Tuzla, while two UNPROFOR officers are to go to Tuzla and Banja Luka.

"We are about to find a solution for the medical evacuation from Gorazde, which was also confirmed at the meeting today by a UNHCR representative, who informed those present that an agreement in this respect has already been reached," Minister Buha added.

"The stumbling block is still Mt. Bjelasnica and Mt. Igman—the discrepancy in interpreting an agreement reached on 14 November 1993—which not only envisages the withdrawal of the Muslims from the demilitarized zone, but also the return of both sides to positions drawn on that map at the time the agreement was signed," Buha said.

In this connection General Michael Rose, the UNPROFOR commander for former Bosnia-Herzegovina, will ask the United Nations to give its interpretation of the agreement, after which he should separately meet Srpska republic army commander General Ratko Mladic and Muslim Army Commander Rasim Delic.

Buha explained that the Serb side links the resolution of the situation regarding the demilitarized zone on Mt. Igman and Mt. Bijelasnica with the opening up of Blue Paths, strictly complying with the stance that all issues contained in the agreement on the cessation of hostilities should be resolved simultaneously, so that each of the warring sides will not lose out.

The meeting today was also attended by a military representative of the Croat republic of Herceg-Bosna.

Gen Mladic: No Talks Unless Muslims Leave Igman

LD0801214495 Belgrade SRNA in Serbo-Croatian 2040 GMT 8 Jan 95

[FBIS Translated Text] Sarajevo, 8 Jan (SRNA)—After his meeting today with General Michael Rose, the

UNPROFOR [UN Protection Force] commander for the former Bosnia-Herzegovina, Colonel General Ratko Mladic, commander in chief of the Army of the Srpska republic [RS], stressed that the meeting was devoted to issues that had put a brake on the implementation of the four-month cessation of hostilities agreement in the former Bosnia-Herzegovina.

Gen.l Rose confirmed that, according to the latest UNPROFOR information, Muslim soldiers had withdrawn from the demilitarized zone of Igman and Bjelasnica, adding that owing to poor weather conditions it was still not possible to carry out a full inspection of the zone.

Stressing that the inspection of the above-mentioned areas would be carried out "as soon as weather conditions allow," Rose expressed the hope that there would not be any further problems in connection with the implementation of the agreement, because, he said, there is goodwill on both sides to see that a peaceful resolution of the crisis comes about.

Gen. Mladic emphasized that "Muslim units must withdraw, without any conditions whatsoever, from Igman and Bjelasnica," stressing that this was the first step toward resolving other disputed issues.

"The line of separation must be where it was on 31 July 1993, or rather west of a line running from Argut, the village of Lukomir, Dugo Polje, the Krvavac facility, Medjedje hill, and Tresnjevo hill," Mladic specified and added:

"If the Muslims want to resolve the other issues, I believe that the peace process should not be held up over this problem, but if they do not withdraw from the demilitarized zone of Igman and Bjelasnica, then there is no point in further talks."

Expressing the hope that UNPROFOR would soon carry out an inspection of this area, Gen. Mladic said that after this Serb officers, together with UNPROFOR officers, should tour the demilitarized zone.

The commander in chief of the army of the Srpska republic stressed that the Serb side "is for peace and for the absolute and unconditional implementation of all agreements reached and signed since 1992."

Karadzic: Muslims Must Accept Divided Sarajevo

LD0801222695 Belgrade SRNA in Serbo-Croatian 2156 GMT 8 Jan 95

[FBIS Translated Excerpt] Sarajevo, 8 Jan (SRNA)—Radovan Karadzic, president of the Srpska republic, said during today's visit to Ilidza that Sarajevo must remain home to tens of thousands of Serbs because it has all the economic, political, cultural, and scientific resources for this.

"Our neighbors the Muslims must accept a political settlement on the division of Sarajevo into two cities—Serb and Muslim," Mr. Karadzic noted.

The Bosnian Serb president recalled that Sarajevo remained a Serb city even after the genocide committed against the Serbs in World War II, and the forced post-war influx of non-Serbs and unchecked urban development. [passage omitted]

Krajisnik Urges Defining Controversial Territories

AU0901085895 Belgrade BORBA (Alternative Edition) in Serbo-Croatian p 2 6 Jan 95

[FoNet report: "Only Some 10 to 15 Percent of Territory Controversial"]

[FBIS Translated Text] Jagodina (FoNet)—"Great prospects exist for lasting peace to finally be restored on the territories of the former Bosnia-Herzegovina," Momcilo Krajisnik, speaker of the Srpska republic assembly, stated in an interview to Radio Jagodina.

"According to our estimates and indications from the United States and other Contact Group members, the talks about cessation of hostilities have now been approached in a much more sincere and fair fashion. For this reason our optimism in the Srpska republic is, regardless of all experiences heretofore, more justified than ever before," Krajisnik said.

Krajisnik stressed that the Serbian side, as the winner in the conflict, did not wish to dictate terms but wished to secure itself a treatment equal to that of the Croats and the Muslims.

"The talks that will start at the end of January will definitely focus on territorial division between the warring sides," Krajisnik said and added that 80 to 90 percent of the Bosnian territory would not be controversial in the division talks. "The Contact Group maps offered to us are only controversial in 10 to 15 percent of the territory, namely, in part of eastern Bosnia, the Bosnian Sava Basin, western Bosnia, and especially the area of Sanski Most. For this reason the existing Contact Group maps cannot be the final solutions," Krajisnik said and explained that a correct solution could not be reached by swapping territories, as proposed by the Contract Group, either.

"We believe that we should immediately define the controversial territories and hold negotiations on them with all three sides," he emphasized, and added that "with some goodwill" demonstrated by all three sides, and acknowledgement of the arguments, a solution regarding the division of controversial territories might still be found.

Krajisnik assessed the announced visit by a Russian and Belarus parliamentary delegation in Pale as "a big contribution to the overcoming of a blockade that the international community imposed on the Srpska republic, however, also the first positive step by Russia, which has isolated itself in the process of international resolution of the crisis in Bosnia-Herzegovina."

"I believe that the Russian leadership has realized that without the talks with the relevant factors in this war there can be no correct solution," Krajisnik concluded.

Serb Forces 'Scrupulously' Honoring Truce

LD0801203295 Belgrade TANJUG in English 2020 GMT 8 Jan 95

["Pool" item]

[FBIS Transcribed Text] Zvornik, Jan. 8 (TANJUG)—Sources close to the Bosnian Serb army command said late Sunday the Bosnian Serb army was scrupulously honoring the Jan. 1 truce throughout Bosnia-Herzegovina.

The sources said that the four-month truce had been violated in the past 24 hours by Bosnian Croat and Croatian troops around the towns of Grahovo and Livno in southwestern Bosnia.

The sources said the Croat and Croatian troops were opening fire from multiple rocket launchers and tanks on Bosnian Serb villages in the area, causing substantial damage to civilian facilities. The Bosnian Serb army said brigades from neighboring Croatia had been fighting in southwestern Bosnia since late November 1994.

Croatian Foreign Minister Mate Granic admitted in New York in mid-December 1994 that Croatian troops were fighting against Bosnian Serbs in neighboring Bosnia-Herzegovina. The Croatian involvement in the Bosnian civil war was confirmed also by United Nations Protection Force officials in early December.

The Bosnian Serb army command in the southern town of Bileca said Sunday the truce was holding throughout Herzegovina. The Serb army command for western Bosnia reported that the situation was the same in the Bihac area.

Serbs 'Incessantly Pounding' Bihac Defenses

LD0801190195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Jan 95

[Report by Mirza Sadikovic from Bihac]

[FBIS Translated Excerpt] The cease-fire agreement has not been honored in the Bihac District today, either. Martic's and Abdic's chetniks are continuing their artillery and infantry operations and attacks on all lines in the Velika Kladusa municipality. They are incessantly pounding our defense lines and residential areas with all types of mortars, howitzers, and tanks from the territory of the so-called Serb Krajina, inflicting extensive damage. They have been attempting infantry spearheads throughout the day, with the intention of provoking a conflict of wider proportions. [passage omitted]

'Dozen' Said Wounded

LD0801220095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 8 Jan 95

[Report by Mirza Sadikovic from Bihac]

[FBIS Translated Excerpt] Karadzic's and Martic's chetniks have been attacking in the Velika Kladusa area throughout the day, trying to pierce the defense lines. From the so-called Serb Krajina they have been shelling villages in the Velika Kladusa area, from Johovica to the Buzim sector of the front. According to incomplete reports, a dozen persons have been seriously and slightly wounded. [passage omitted]

Two French Peacekeepers Wounded in Sarajevo

LD0701194895 Paris France-2 Television Network in French 1900 GMT 7 Jan 95

[FBIS Translated Text] Two French UN soldiers were slightly wounded today in two separate incidents in Sarajevo, the Bosnian capital. Their vehicle was fired at with light weapons.

Serbs Report Croat-Muslim Fighting in Mostar

LD0801172995 Belgrade TANJUG in English 1709 GMT 8 Jan 95

["Pool" item]

[FBIS Transcribed Text] Mostar, Jan. 8 (TANJUG)—Bosnian Serb army sources have said that fierce fighting broke out Saturday between Croats and Muslims in and around the city of Mostar despite the Jan. 1 four-month truce.

The Bosnian Serb army said a heavy fusillade was thundering from central Mostar, the administrative center of southern Bosnia-Herzegovina. The flaring up of the fighting is believed to be due to increasing differences within the Muslim-Croat Federation in Bosnia. Croat-Muslim fighting was the heaviest in Mostar also before the federation was formed in March 1994.

The federation agreement was signed in Washington under strong pressure from the United States, but the federation has never actually gotten off the ground.

The European Union took over the administration of Mostar in July 1994 with the purpose of reconstucting the city devastated in a year of bitter war between the Muslims and Croats.

Croat-controlled radio Herceg-Bosna said Sunday that the Muslim authorities in the central Bosnian town of Tesanj had put a stop to the forming of any more Croat municipalities in the area until the federal Constituent Assembly had passed the relevant laws.

The Bosnian Croat radio said the Croats had formed their self-ruled municipality of Usora in the area in line with the Washington federation agreement.

The radio accused the Muslims of undermining the federation in territories where Croats had lived for centuries.

Herceg-Bosna Implementing Single Croat Policy

LD0801214595 Zagreb HTV Television in Serbo-Croatian 1830 GMT 8 Jan 95

[FBIS Translated Excerpt] President Tudjman received a delegation representing the Bosnia-Hercegovina Federation, the Croat republic of Herceg-Bosna, HVO [Croatian Defense Council], and five commanders who took part in the liberation of Kupres. The peaceful resolution of the crisis in Bosnia-Herzegovina and the current situation were discussed at the meeting.

[Unidentified correspondent] One of the topics was the implementation of the Bosnia-Herzegovina Federation and its confederation with Croatia.

[Begin Jadranko Prlic recording, deputy federal prime minister and prime minister of Herceg-Bosna] We are implementing a single Croat policy in the territory of Bosnia-Herzegovina and today we had a chance to sum up the impressive results we achieved in 1994. We liberated previously occupied Croat areas and we organized the Croat population in Bosnia-Herzegovina, both within the Croat republic of Herceg-Bosna and in the territory of the Federation controlled by the Bosnia-Herzegovina Army. [passage omitted] [end recording]

Zubak: Muslim-Croat Federation Will Live On

LD0801183595 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 8 Jan 95

[FBIS Translated Text] The Bosnia-Herzegovina Federation and Bosnian-Croatian Confederation were the subject of a news conference given by Bosnia-Herzegovina Federation President Kresimir Zubak. Vera Tomasek has the report.

[Tomasek] The Croat people in Bosnia-Herzegovina currently are in a much more favorable position in a humanitarian, military, and economic sense than they were over the past couple of years. We have managed, Zubak said, to establish full political, state, and military subordination [as heard], although all this would never have been feasible without the support of the leadership of the Republic of Croatia. We want Bosnia-Herzegovina to be our homeland, but we want it as a homeland guaranteeing full equality to the Croat people. As far as relations with the Muslims are concerned, he said, we are in a state of anticipation, in other words, in a stalemate, due to differing views between our two leaderships on how to implement the Washington Agreements. Part of the Muslim leadership believe that the Bosnia-Herzegovina Federation is only a stage in the process of establishing a unitary Bosnia-Herzegovina, and are trying to prolong the life span of the institutions of the Bosnia-Herzegovina Republic.

[Begin recording] [Zubak] It is common knowledge that the Constitution of the Republic of Bosnia-Herzegovina is only a rehash of the Constitution of the former Socialist Republic of Bosnia-Herzegovina, which was based on a single authority, in which authority was not divided into its legislative, executive, administrative, and judicial components; this Constitution failed to prescribe the creation of any decisionmaking instruments and mechanisms within these bodies of authority—decisions are made through majority vote. Therefore, these institutions of authority have been devised in such a way as to enable out-voting.

[Tomasek] Who is obstructing the implementation of the federation?

[Zubak] The Muslims have absolutely equal rights in their access to the media in the Republic of Croatia, and they can freely express and present their ideas and positions. Unlike them, we cannot—we do not have such access to the media, which are under the control of the Bosnia-Herzegovina Army, we are not in the position to present our arguments. Hence, the impression is sometimes created that we are the ones hampering or blocking the process because we do not have the opportunities or the means the Muslims have; you know that they are in complete control of the diplomatic and consular missions, and that through these missions they can influence and shape the opinion of the international community; all the media are at their disposal—radio, television, the press etc., and, moreover, they have free access to the media in Croatia.

However, no one should get the impression that the process has been halted and that it will not continue. Judging by what I have seen—and I have had direct contacts with the Muslim people—I believe that both the Muslim and Croat peoples are absolutely inclined toward the idea that the federation should live on. I can also say that some of the representatives of the Muslim people—not only from the opposition, but also from the Party of Democratic Action—are sending us signals and extending support to us to persevere in our principled and consistent implementation of the federation. [end recording]

TV Head Denounces Silajdzic's Ban on Reporting

LD0701173895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 7 Jan 95

[FBIS Translated Excerpt] Amila Omersoftic, the director of Bosnia-Herzegovina Radio-Television, held a news conference today, focusing on current issues concerning the activities of Bosnia-Herzegovina Radio-Television. The official statement of that organization, which we will broadcast in its entirety, was read out at the news conference.

[Begin Omersoftic recording] The reason for convening this news conference was to present Bosnia-Herzegovina Radio-Television's views on Prime Minister Haris Silajdzic's ban on Bosnia-Herzegovina Radio-Television attending government sessions and following the prime minister's working and protocol activities. This is the position of Bosnia-Herzegovina Radio-Television:

1. Prime Minister Haris Silajdzic's statement to OSLOBODJENJE and published on 6 January 1995 reads: We do not have confidence in the leadership of the television that presents to the public half-truths and false information, and calls on the opposition not to support the government [words indistinct]. The prime minister must substantiate his claim that Bosnia-Herzegovina Radio-Television presents to the public half-truths and false information. However, he cannot prove it because, when he himself is concerned, his speeches at government sessions are usually not interpreted, but directly rebroadcast on news bulletins. When the prime minister's protocol and working activities are concerned, Bosnia-Herzegovina Radio-Television always uses information received from BH-PRESS.

Seeing that Bosnia-Herzegovina Radio-Television keeps recordings of all broadcast material, we are prepared to make this material available to a relevant state commission as proof that the prime minister's statements are unfounded and untrue.

2. The prime minister's ban violates the Law on Public Information in the Republic of Bosnia-Herzegovina published in THE OFFICIAL GAZETTE No. 21 of (?1990), Article 3. [passage omitted]

Therefore, Prime Minister Haris Silajdzic is arbitrarily violating the law of this state. We wonder whether after such a scandal the prime minister of any other state in the world would remain in office.

The real reason the prime minister [words indistinct]. This in fact shows his desire to exert direct influence on the editorial policy of Bosnia-Herzegovina Radio-Television, and to have this medium under his control, which Bosnia-Herzegovina Radio-TV will not allow.

The prime minister is the most responsible figure in the state. He is held responsible for his work before the presidency, the assembly, and the citizens of this state. One of the institutions that control his work is Bosnia-Herzegovina Radio-Television. To acquire control of this institution means abolishing that system of control. We wonder why the attack on Bosnia-Herzegovina Radio-Television and its editorial policy came at the time when the house has made three important achievements: Radio-Television transmission to Mostar has been established, and the program about the Bosnia-Herzegovina Army and the Genocide program have been launched, which could not have been broadcast under the directorship of Mehmed Agovic or Mufid Memija. This can be confirmed by the employees of Bosnia-Herzegovina Radio-Television. Or is he trying to prevent the broadcasting of the recently completed series about the disintegration of Yugoslavia?

3. Concerning the statements by Mr. Nijaz Skenderagic published in the same issue of OSLOBODJENJE, we claim that they are untrue and baseless, about which Bosnia-Herzegovina Radio-Television has firm evidence. At the same time, we call on Miro Lazovic, the president of the Assembly of the Republic of Bosnia-Herzegovina, Zlatko Lagumdzija, and Gradimir Gojer to make public their opinion on Nijaz Skenderagic's statements as they directly participated in the talks with the Bosnia-Herzegovina Radio and TV representatives. It is unacceptable that Mr. (?Skenderagic) reacts to an alleged misunderstanding between the SDP [Social Democratic Party] and Bosnia-Herzegovina Radio-TV 20 days after the assembly was held, that is, 12 days after the official meeting. At that meeting, SDP representatives expressed their satisfaction with the programs of the Bosnia-Herzegovina radio and television. [end recording]

Bosnian Croat Radio Comments

LD0701183495 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 7 Jan 95

[FBIS Translated Excerpt] Strange things are happening at Bosnia-Herzegovina Radio-Television. More about this from our colleague:

[Unidentified correspondent] That we were right was corroborated by the protest lodged by the Social Democratic Party of Bosnia-Herzegovina, who had been denied the right to publish a statement following the session of the Bosnia-Herzegovina Federation's assembly in Zenica; to be more precise, only part of the statement was made public, while the rest was deleted. At a special news conference, this party presented a demand to the government and Assembly of Bosnia-Herzegovina to seriously tackle the problems of the material position of Bosnia-Herzegovina Radio and Television, its employees, personnel policies, and the sacking of Raska Denjalic, Mladen Paunovic, and Mladen Bosnjak.

That something is not quite right at Bosnia-Herzegovina Radio-Television is seen from the position adopted by the Government of the Bosnia-Herzegovina Federation and Republic; that is, by Prime Minister Haris Silajdzic, who barred them from covering a government session under the pretext of not being in the position to trust the TV editorial board because of their presentation of half-truths and dissemination of misinformation.

Asked when TV crews would again be permitted to cover government activities, the prime minister replied that this would be possible as soon as the existing problems were resolved. [passage omitted]

Bosnian Radio Responds

LD0701185895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 7 Jan 95

[FBIS Translated Excerpt] The Croatian media are today carrying bizarre reports, according to which the fighting around Velika Kladusa is, as they said, the continuation of the inter-Muslim conflict. In their coverage of the events on the Bihac front the strictly state-controlled

Croatian media have become on a par with the Bosnian Serb media from Pale. Nada al-Isa reports from Zagreb.

[Al-Isa] In its news bulletin, Croatian radio refers to the remains of Fikret Abdic's armed followers as an army. It claims that the fierce artillery and infantry clashes around Velika Kladusa are taking place between Fikret Abdic's army and the Bosnian 5th Corps. No mention is being made of the fact that these attacks are being mounted from the occupied regions of Croatia, from the so-called Serb Krajina; Fikret Abdic's armed terrorist formations are referred to as an army and compared with the regular Bosnia-Herzegovina Army. As of today, Zagreb is subscribing to the aggressor's well-known theory about an alleged inter-Muslim conflict. It is common knowledge that the Serb side has been launching such assertions in order to conceal its aggression. [passage omitted]

SDA Statement on 'Dispute'

LD0801200395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Jan 95

[FBIS Translated Text] In reaction to the public dispute between Haris Silajdzic, prime minister of the Republic and Federation of Bosnia-Herzegovina, and Amila Omersoftic, director of Bosnia-Herzegovina Radio and Television, over problems affecting Bosnia-Herzegovina Radio-Television, the executive committee of the Party of Democratic Action [SDA] has issued the following statement:

1. We call on Haris Silajdzic and Amila Omersoftic to immediately stop their mutual recriminations over the media because this is detrimental to the unity of the nation and, consequently, to the defense of the Republic of Bosnia-Herzegovina.

2. We call on Silajdzic to suspend the ban on the presence of Bosnia-Herzegovina reporters and camera crews at Bosnia-Herzegovina government sessions, as such a ban would be unlawful and because this is not an appropriate way to remove inadequacies in the work of Bosnia-Herzegovina Radio-Television.

3. We call on Mr. Silajdzic to use regular legal procedures through the relevant state bodies if he wishes to air his grievances concerning the work of Bosnia-Herzegovina Radio-Television or this institution's leadership. One-sided and hasty actions do not facilitate the resolution of problems, but only multiply and aggravate them.

4. All the problems that Bosnia-Herzegovina Radio-Television is coping with should be presented to the public in an objective way, through regular channels and without personal motives and unnecessary emotions.

5. We expect these two respected party members to comply with the executive committee's request, the statement issued by the executive committee of the Party of Democratic Action says.

Bosnian Croat Minister on 'Secret' Session

LD0801215695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Jan 95

[FBIS Translated Text] The report according to which the [Bosnian] Croat ministers held a secret government session in Neum is biased and an ordinary lie. This is not the first time that someone has tried to undermine the implementation of the federation and its constitution, Trade Minister Nikola Grabovac said at the government's session today, responding to a report on a secret government session held in Neum published by OSLOBODJENJE news agency ONASA. He said that this cast a dark shadow over the professional attitude developed by Bosnia-Herzegovina journalists during the war.

Tuzla Muslim Group Supports West Bosnia Autonomy

LD0801224395 Belgrade TANJUG in English 2226 GMT 8 Jan 95

["Pool" item]

[FBIS Transcribed Text] Petrovac, Jan. 8 (TANJUG)—A Muslim party in the town of Tuzla, northeastern Bosnia, voiced support on Sunday for the west Bosnia Muslims in their bid for autonomy from the Sarajevo government.

in a letter quoted by west Bosnia Radio Velkaton, the League of Democrats of Tuzla wished to follow the west Bosnia Muslims' suit, and asked to meet with their representatives and learn from their experience how to change the situation in the Tuzla area.

Muslims in northwestern Bosnia set up their autonomous province of west Bosnia pursuant to a local September 1993 referendum.

Muslim Sarajevo government has sent troops to west Bosnia to crush the autonomy bid.

"We beg you to persist in your just struggle, because it is necessary to destroy the evil of 'Alija's state' (the part of Bosnia controlled by the Muslim Sarajevo government) which has been the destruction of us in the Tuzla area," the letter said.

The letter said that the prevalent sentiment in the Tuzla area was for an Islamic state and that the ruling Party of Democratic Action, headed by Alija Izetbegovic, had 'ethnically cleansed' the area and enforced its war option as the official policy.

"You are our guides in the struggle against the notorious Party of Democratic Action and its leaders," the League of Democrats of Tuzla said in the letter to the west Bosnia Muslims.

In the first multi-party elections in Bosnia-Herzegovina in 1990, the ethnically diverse Tuzla area voted for non-national parties.

Serb Commander Sends Holiday Greetings

LD0601143995 Belgrade SRNA in Serbo-Croatian 1204 GMT 6 Jan 95

[FBIS Translated Text] Sarajevo, 6 Jan (SRNA)—On behalf of the main headquarters of the Srpska republic army, Lieutenant General Ratko Mladic, its commander, sent Christmas, New Year's, and Srpska republic Statehood Day greetings today.

"I would like to send warm greetings to all citizens, bodies of authority, Orthodox priests, and members of the Interior Ministry and the Srpska republic army for Christ's birth, the new year, 1995, and Srpska republic Statehood Day, with sincere wishes that the new year will bring peace, happiness, and freedom to the Serb people," the message says.

"Last year, with huge efforts, sacrifices, and suffering, we withstood all the numerous pressures and blackmail in a dignified, resolute, and chivalrous fashion, and we fought off all enemy offensives against the Serb people, territory, and positions.

"In the current phase of our struggle, when those who are creating the new world order are displaying an unprincipled and biased attitude and are exerting pressure on the spirit of Slavhood and the Orthodox faith, we will need a lot more wisdom, perseverance, resolution, unity, and accord in order to save the results achieved and to secure a successful, honorable and dignified end to our struggle," Gen. Mladic said on his own and the main headquarter's behalf.

Expressing his belief that the Serb people will successfully end the imposed and senseless war in 1995, the commander of the Serb army wished that a just and lasting peace might be established throughout the former Bosnia-Herzegovina.

"I am convinced that we will celebrate the next holidays in the spirit of the most beautiful Serb traditions, in a free, single, and united Serb state. May those who heroically gave their lives for the freedom of the Serb people rest in peace and glory," the message from the main headquarters of the Srpska republic army says in conclusion.

Russian, Belarus Parliamentarians Support Serbs

LD0801171895 Belgrade TANJUG in English 1237 GMT 8 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 7 (TANJUG)—A delegation of the Russian and Belarus parliaments on Saturday gave support to the Bosnian Serbs and pledged help for settling the Bosnian conflict. The delegation was received Saturday by Bosnian Serb president Radovan Karadzic.

The Russian and Belarus parliamentarians are visiting the Bosnian Serb republic on the occasion of Orthodox Christmas in a desire to celebrate Christmas holidays with their 'Orthodox Christian brethren in these lands' in a gesture of support, they were quoted as saying.

In a meeting with Bosnian Serb parliament speaker Momcilo Krajisnik late Friday, Russian State Duma (lower house) Deputy Sergey Nikolayevich Baburin said, as quoted by the Bosnian Serb news agency SRNA, that the delegation's mission was to help solve two problems. These are to consolidate the international standing of the Bosnian Serb republic and lift the anti-Yugoslav sanctions, which he described as absurd, according to SRNA. Baburin is quoted as saying that one of the most important questions at this time was to effect the diplomatic recognition of the Bosnian Serb republic.

Meeting Commander Gen. Dragomir Milosevic of the Bosnian Serb army on Saturday, Baburin said that 'the Serbs can always count on Russia's help.'

Gen. Milosevic said there were some Russian volunteers fighting on the Sarajevo frontline and that six of them 'have given their lives for the just struggle of the Serb people.'

Belarus Supreme Soviet Deputy Gen. Bacharov said he supported 'the position of the Russian delegation on the Serb question' and would help find a settlement for the Bosnian conflict.

Bacharov said the Belarus members of the delegation would insist with their parliament and people that a solution be found, because 'Belarus cannot just stand idly by.'

Tudjman Discusses Economic, Political Issues

LD0701111095 Zagreb Radio Croatia Network in English 0903 GMT 7 Jan 95

[FBIS Transcribed Text] President Tudjman has met with a delegation of Croatian Democratic Youth [HDC] members from Croatia, Bosnia, and abroad. Addressing HDC youth members, Tudjman described 1994 as a success for Croatia in continuing to develop as an independent democratic state and added Croatia's international standing has greatly improved.

The president also talked about the stabilization of the economy, overcoming difficult circumstances. He predicts significant economic developments for the coming year, including the construction of several new local roadways and routes to Hungary and Austria. Addressing political issues the president stressed Croatia is ready to find a peaceful solution for the occupied territory, but he said if this is not possible Croatia will cancel the UNPROFOR [UN Protection Force] mandate. On Bosnia he stressed the federation and its confederation with Croatia is key in protecting Croatian interests in Bosnia.

Zagreb Reluctant on Lifting Arms Embargo

AU0601171295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 6 Jan 95

[Report by Nada al-Isa from Zagreb]

[FBIS Translated Text] Whenever there are demands in the world to lift the arms embargo for the Bosnia-Herzegovina authorities, Croatian politicians strive to prove that this also means lifting the embargo for Croatia, or they claim that the embargo will be lifted for the Federation rather than the Republic of Bosnia-Herzegovina. The situation is the same again in Zagreb following Bob Dole's latest proposal.

The Croatian media are quoting—so they say—reliable Croatian sources, which they cannot name, that claim that Croatia opposes the lifting of the embargo in Herzegovina if it is not simultaneously lifted in Croatia, because lifting the embargo only for the Bosnia-Herzegovina authorities would allegedly escalate the war. The opposition [word indistinct] has been asking the leadership why is it so worried about the possibility of the Bosnia- Herzegovina Army launching a final, decisive liberation of its country, which the lifting of the embargo would significantly help. Is this perhaps fear for certain imaginary, purely Croatian areas in Bosnia-Herzegovina? Drazen Budisa [chief of the Croatian Social Liberal Party] has for some time been openly musing: Did the Croatian Defense Council [HVO] go for Kupres and Livno in order to help the definitive, final liberation of Bosnia-Herzegovina, or in order to round off the so-called Croatian areas, to determine what belongs to whom, just in case?

The opposition continues to criticize the so-called Herceg-Bosna, which for the opposition has always been and continues to be "so-called", while the leadership continues to see it as the guarantor of the Croats' survival. Many opposition leaders are reminding the government that this is the same as claiming that Knin is the guarantor of the Serbs' survival in Croatia. Just as Zagreb cannot tolerate a state within a state in Croatia, the state of Bosnia-Herzegovina and its Army cannot tolerate Herceg-Bosna, the opposition muses logically and therefore asks: Is concern for the fate of the so-called Herceg-Bosna as a state within a state the real reason for the Republic of Croatia's fear in the face of the possible lifting of the arms embargo for Bosnia-Herzegovina but not for Croatia?

Official Discusses UNPROFOR Mandate

LD0701155495 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 7 Jan 95

[FBIS Translated Text] A session of the Council of Defense and National Security was held in the Presidential Palace today. The current foreign and internal policy issues, UNPROFOR [UN Protection Force] mandate, and negotiations with Serb representatives from temporarily occupied areas of Croatia were discussed at the session.

The head of the Croatian president's office and the main Croatian negotiator in the talks with rebel Serbs, Hrvoje Sarinic, will tell us some more about it. Our reporter Jadranka Kosor asked Hrvoje Sarinic what Croatia would do in connection with the extension of the UNPROFOR mandate.

[Begin recording] [Kosor] It is decision time, Mr. Sarinic. Can we reply to a question today whether UNPROFOR is staying or not?

[Sarinic] On the basis of what has so far been done in the implementation of the agreement on the normalization of overall relations, because.... [pauses] Excuse me, let me tell you something first.

It has been said that there are three phases in these negotiations: First, the Zagreb agreement on the cessation of hostilities, then on economic measures, and finally these two agreements would open up the path to a political solution, or negotiations on a political solution. We absolutely do not see it in that way, nor do we separate it—in our mind that is one entity leading towards the normalization of overall relations. Believe me, I, who conducts the talks at the head of the Croatian delegation, we do not wish to and cannot, even if we wished to, separate political issues from economic ones. Finally, the opening of the motorway is a political issue par excellence. Therefore, that is completely out of the question.

If we base our views on the agreement reached on 2 December, then what has been achieved so far is absolutely unsatisfactory and does not open up space for the extension of the UNPROFOR mandate in Croatia.

Things are getting accelerated now. I think that we have found, I must say, some other sort of approach among the Knin Serbs. Today they can also see that if this peace process is slowed down, that this surely would not be to their benefit. They are now viewing that problem differently. There are some other things that have changed their stance. It's winter, there is a lack of fuel. The international community has so far in a charitable way—through humanitarian aid, goodwill—provided fuel for them. As of 10 January, in a few days' time—the international community has taken a very tough, strict position—there will be no fuel deliveries in any form, now they have to agree with us how to create conditions for us to deliver them some quantities of fuel.

Some conditions have been created for the process of implementation to accelerate. Whether there is enough time before 10 January to satisfy and allow Croatia to make decisions on extending the UNPROFOR mandate, that is a hot issue today. We are working on it in order to achieve it. It is in our interest, if we see that process further unfolding and producing results, we will extend it by three months or so, which will allow the process to conclude. But there we must have absolutely reliable signs that the process is unfolding and that there is both a desire and dynamism for it to conclude in that way.

What has been achieved so far, I am telling you very clearly, is not enough for the UNPROFOR mandate to be extended. [end recording]

Traffic on Zagreb-Lipovac Highway Smooth

LD0601145995 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 6 Jan 95

[FBIS Translated Text] Traffic on the Zagreb-Lipovac Highway through the UN Protected Area [UNPA] West is again running smoothly today, with no queues or restrictions. Between 0600 and 1300 today around 1,500 vehicles used the road. However, the highway has still not been opened as stipulated in the [Croatian-Krajina Serb] agreement on economic relations. Hrvoje Sarinic, head of the president's office, accompanied by Assistant Interior Minister Josko Moric, today went for a ride on the highway from Zagreb via Novska to Nova Gradiska and back. He sent a letter to Yasushi Akashi, Lord Owen, and Thorvald Stoltenberg, informing them of what he had seen on the way.

The letter warns that there are many people wearing Serb police uniforms on the highway, and police vehicles are parked along the road. There are also many people in military uniforms. At the eastern and western approaches to Sector West, there are barracks housing many policemen, and the barracks are covered with boards marking the entrance to a nonexistent state and other signs in connection with that. Sarinic noticed the same signs inside the UNPA as well.

Sarinic again warns in his letter to Akashi, Owen, and Stoltenberg that UNPROFOR [UN Protection Force] has not fully implemented the 2 December agreement. The Republic of Croatia therefore believes that the highway has not been opened as stipulated in the agreement. Hence, it is not ready to comply with its obligations stemming from the same agreement. This means that Croatia cannot deliver generators for the Obrovac Hydroelectric Plant [in the Serb-held area] until the situation on the Zagreb-Lipovac Highway is reconciled with what was specified in the agreement.

Sarinic, who is the main Croatian negotiator in the talks with the rebel Serbs, discussed all this with Norwegian diplomat Kai Eide, ambassador at the Geneva conference, this morning.

FRY, Croatia, Rebel Serb Air Forces Compared

AU0601124295 Split SLOBODNA DALMACIJA in Serbo-Croatian 3 Jan 95 p 10

[Mladen Jurasek article: "'MiGs' Will Down Serbian 'Eagles'"]

[FBIS-Translated Text] In modern air combat, they still cannot defeat the opponent by themselves, but they can determine the outcome of the war. Destroying targets well into enemy territory, offering immediate support fire to their ground forces, eliminating tanks and infantry, or downing enemy combat aircraft—modern air forces can do much to tip the balance in favor of one of the warring parties, especially if ground forces are evenly matched. We should, therefore, consider the strength of the HRZ [Croatian Air Force] in relation to potential opponents and assess its ability to carry out missions.

MiG-21 (Fishbed) fighter-interceptor is the mainstay of the HRZ. This aircraft, designed in the USSR in the 1950's, is a short-range interceptor. Thanks to MiG-21 (Fishbed) aircraft, the HRZ is superior to the air force of "Krajina," which is mostly stationed at the airport near Udbina. "Krajina" has G-2 (Galeb) [Seagull], G-4 (Super Galeb), and Orao [Eagle] aircraft, none of which is a match for the MiG in air combat. However, the situation of the Bosnian Serb Air Force in Banja Luka is quite different. This airport could be a fine base for Serbian MiG-21 fighters, which are perhaps not there at the moment, but they could easily fly over from Serbia. In that case, training and motivation of pilots would determine the winner in air combat. MiG-21 being a short-range aircraft, a pilot closer to his air base would have an advantage. Air combat would be inevitable if UN forces withdrew from Bosnia and NATO stopped enforcing a no-fly zone over the territory of Bosnia-Herzegovina. Otherwise, NATO aircraft would at least put the airport near Banja Luka out of action, if they did not want to destroy all aircraft stationed there.

If Croatian and Serbian air forces were to come into direct conflict, things would be quite different. According to some foreign reporters, Serbia owns more than 40 MiG-29 [Fulcrum] fighters and they have a clear advantage over MiG-21 in every respect. In such an event, Croatian pilots and their aircraft would have negligible chances for a decisive victory.

Furthermore, a shortage of assault aircraft is an obvious flaw. MiG aircraft and Mi-24 (Hind) helicopters can only do so much to compensate for the lack of it. MiGs would be used for raids on enemy targets on the ground, as they proved efficient in the patriotic war, though it is not their primary purpose. Unfortunately, they are also vulnerable and a missile downed a Croatian MiG when it was bombing chetnik army barracks near Petrinja. Actually, it was downed by a portable rocket carried by a foot soldier. MiGs are equally vulnerable to anti-aircraft artillery fire of various caliber.

The Mi-24 helicopter was designed for antitank combat and extending support to forces attacking enemy positions. It's thick armor makes it invulnerable to anti-aircraft defense, both from tanks and missiles. It cannot be used for destruction of enemy targets deep in enemy territory, but that is not its primary purpose either. Such tasks require a well-armored aircraft that can carry a large amount of ordinance in the range of 50 to 100 km. The former USSR's SU-25 [Frogfoot] or a U.S. A-10 [Thunderbolt II] would be ideal for missions of that kind. Those aircraft could also provide direct support fire to its ground forces.

All in all, Croatian Air Force is superior to that of "Krajina" and an equal match to that of the Bosnian Serbs. In direct conflict, it would stand a very good chance of winning within the first couple of hours. Serbian involvement would tip the balance at the expense of Croatia. We should, therefore, bear that in mind every time we feel like waging a war. We must not ignore the fact that the Serbian Army, thanks to the arms embargo and Russia, is still superior to Croatian Army.

Anyway, Croatia should develop its armed forces not in relation to forces of the rebel Serbs in Croatia, but in relation to the power of Serbia, and obtain weapons and equipment that are a match to those held by Serbia.

Prime Minister Valentic Leaves on Visit to PRC

LD0801153295 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 8 Jan 95

[FBIS Translated Excerpt] Croatian Prime Minister Nikica Valentic left today for the PRC at the head a government delegation. Beijing and Zagreb are anticipating the visit with keen interest. The two sides will discuss political relations between China and Croatia as well as the political situation in the world and the expansion of trade, financial, and industrial cooperation. The government delegation will also visit Hong Kong and Indonesia. [passage omitted]

U.S. Citizen Sentenced for Drug Smuggling

95BA0075A Zagreb VJESNIK in Serbo-Croatian 6 Dec 94 p 25

[Article by H.D.: "Four and a Half Years in Prison for an American"]

[FBIS Translated Text] Zagreb—On Monday, the Zupanija Court in Zagreb sentenced Mac Tony C. (age 29), a native of the Virgin Islands who is a U.S. citizen, to a combined prison sentence of four-and-a-half years, subject to appeal.

He was pronounced guilty of smuggling drugs and using a forged passport. He was sentenced to four years for the first charge and one year in prison for the second, and they were combined into the single sentence we mentioned. In addition, after serving his sentence, the accused will be deported from the Republic of Croatia and not allowed to return.

Mac Tony C. was arrested at the Zagreb Airport on 11 August of this year after arriving from Skopje. The police found 1,038 grams of heroin under the false bottom of his backpack. In the investigation, and by and large he stuck to that in the trial, the accused described how a person he did not know very well in Naples offered him 4,000 pounds to carry a bag from Istanbul to London. He was also told to travel by a strictly defined route via Bulgaria, Macedonia [The Former Yugoslav Republic of Macedonia], Croatia, and Switzerland to London, and he was also told which means of transportation to take. The accused's defense was based on the statement that he wanted to earn money for his education (he is said to be a student in London), and that he never would have consented to all this if he had known that heroin was involved. He thought, he said, that it was gold or a work of art in the backpack.

In his defense before the court, Mac Tony C. also presented certain details that contradicted those he gave in the investigation, which Judge Branko Seric called to his attention.

Two policemen who testified described discovery of the drugs and the arrest of the accused, and depositions from two other witnesses and other relevant documents were also read. In her closing statement, Prosecutor Marinka Orlic said that it follows from everything said that the accused committed the crimes with which he was charged. She called for a severe penalty, which would also have a preventive effect (including deportation), issuing the caution that Croatia is becoming more and more frequently a transit point for drug trafficking.

Report on Misappropriated Humanitarian Aid

95BA0075B Zagreb VJESNIK in Serbo-Croatian 8 Dec 94 p 28

[Article by Milivoj Alapic: "The 'Humanitarians' Are Filling Their Pockets"]

[FBIS Translated Text] Sunja—Recently there have been increasingly frequent criticism, reactions, charges, and stories about individuals distributing humanitarian aid first to themselves and thereafter to those who need it most. When the aid arrives, if the goods are new, these people first "satisfy themselves," and what remains goes to the poor.

The Criticism Has Had an Effect, but ...

Dust was raised when one of the members of the Opstina Council in Sunja spoke about this in a meeting, and the representative of the Red Cross who was present mentioned that they had threatened to bomb her house because humanitarian aid was not being distributed properly. She said she no longer wished to work in a humanitarian organization, and then a member of "Croatian Woman" said perhaps there had been irregularities in distribution, but ...

The books, of course, show everything "square." Then came the displaced persons, who named the names of those who had taken away the better goods to their homes at night. Then came 60 or so signatures confirming that the aid had not been distributed fairly. The letter was sent to the competent authorities, but nothing came of all that. All that happened was that the displaced persons were given the opportunity to distribute the humanitarian aid themselves.

And that turned out to be a success. The Displaced Persons Association was recently organized in Sunja.

Instead of Stoves, Boilers

Believe it or not, the displaced persons in the vicinity of Sunja were informed that someone in England had gathered together a sizable quantity of textile goods. But more important were the kitchen ranges, and the most valuable was a complete dental office.

"We waited and waited," the people relate, "and then the trucks came. The bales in them were stinking. When we opened them, an intolerably foul smell began to spread around. Instead of kitchen ranges, rusty boilers arrived, and the outpatient clinic received a few dental instruments."

These are just some of the stories from Sunja, a place that many call "little Vukovar." Of course, in all of this there are also real friends who really help. That is why these individual cases are frequently forgotten, because human solidarity knows no borders. However, because this article is being written only about one side of the coin, the bad side, let us go on.

In Bobovac, a rich village in Sunja Opstina, a representative of the local committee went to the house of a man who has been working some 20 years in Germany. Although he has the finest house in a village from which more than 100 local people are working abroad, he did not refuse the flour sent by the European Community. Asked whether the other well-off local people were taking humanitarian aid, this "richest" one replied: "They all are! Who is going to look a gift horse in the mouth?!"

Much the same has occurred in other villages in the Sava Valley. It has happened, but let us hope it does not happen again.

Flour Not Fit To Eat

There are fine stories circulating about Dr. Helmut Boell, a German citizen who is a proven friend of Croatia, in the Lower Sava Valley in Sunja Opstina, near the villages of Lonja and Suvoj. Before the war he bought an old wooden peasant house near Lonja. He fell in love with the beauty of Lonjsko Polje, and after the war broke out, he began to help the population. And others as well. His aid even reached Jastrebarsko and certain other towns. Children got bicycles, but more necessary things also arrived. There was food, clothing, and shoes. And stories came with them, of course. We heard one of them in Lonja from the Nikolic family.

"Write that the doctor sent flour. But others got it, not those who needed it to make bread."

We undertook an investigation, and we heard that the flour was not fit to use?!

The esteemed philanthropist, father of 11 children, also brought another kind of aid for which he did not pay customs duty, because it was intended for humanitarian purposes. That was the case with fertilizer. The story goes that it went only to those who could exchange the fertilizer for German marks!

But when peace came to this area, a truck was also sent with three metric tons of plastic film for those who needed it to replace broken windows or cover damaged roofs.

In Lonja, Helmut Boell gave 50,000 German marks [DM] to help the project of the UNHCR [UN High Commissioner for Refugees] for adaptation of an abandoned school building. Funds of the UNHCR in the amount of DM240,000 and his contribution will turn that building into a Home for Displaced Persons with a capacity of 100.

The German physician promised the displaced persons who had suffered severe injuries that he would also provide them medical help. He and his wife intend to produce healthy food in Lonjsko Polje.

But there is something strange. Local people in the village Lonja did not move a finger to help to build that structure with voluntary labor, even though they would be among those benefiting from it. Officials of the Sunja Opstina Executive Administration did voluntary work in tiling the roof.

The Story About the Logs and the Wheat

During the war, someone said in a meeting of the Sunja Opstina Council, the firm Hidrotehna of Zagreb spent days hauling oak logs from the railroad station in Sunja. According to reports at the time from Mr. Zugacic of the 165th Croatian Brigade, as a favor or to return the favor they were supposed to build a small plant or pave a section of the road in Sunja.

The logs were hauled off, the promise forgotten?!

At the same time, tens of tons of wheat that was still good to eat were left in railroad cars at the station, and when it was not hauled away, it went bad.

Zlatko Krizanic is a man who has worked 25 years in Heidenheim, Germany. He has been helping Croatia in these difficult times. He gave the Croatian Army a minibus, and he has also helped in other ways. If he could, he would gladly have remained with the defenders....

He often visits the Croatian Catholic Mission in Heidenheim. Aid for Croatia was collected there. He said of it:

"I am always ready to help! But what happens is that we who live here collect aid for the Sunja area, but it goes somewhere else! There are individuals, Croats unfortunately, who say that they are collecting aid for Croatia, and they put the German marks in their own pocket. That is a scandal!"

We also heard that story from Mr. Lepesic of the village Preloscice, near Sisak. He lives near Munich and helps whenever he can.

"I know people," Krizanic told us, "who somehow get a certificate from Caritas that the aid they are hauling to their native area has a humanitarian purpose. These are valuable things, almost new. They do not pay duty, and those for whom they are intended do not get them, because they are destined to be a wedding gift to relatives?!"

Aid is arriving less and less often. Right now, when it is most needed in rebuilding the area. Are the examples we have given perhaps the reason for this? Judge for yourselves.

Federal

Pellnas: Belgrade Consistent in Border Control

LD0601200995 Belgrade TANJUG in English 1926 GMT 6 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 6 (TANJUG) - Bo Pellnas, head of the observer mission to Yugoslavia, said Friday [6 January] that Yugoslavia was consistent in fulfilling its obligation to control the border with Bosnia.

The latest Pellnas report was forwarded to United Nations Secretary-General Butrus Butrus-Ghali and to the U.N. Security Council on Jan. 4 by David Owen and Thorvald Stoltenberg, co-chairmen of the International Conference on the Former Yugoslavia.

Speaking at a press conference in Belgrade, Pellnas said he believed the U.N. Security Council would take the report into consideration before Jan. 13 when one hundred days since the setting up of the observer mission expired.

Pellnas said they did not take political decisions, but hoped that their report would help ease the sanctions against Yugoslavia further and help bring about a lasting peace in Bosnia-Herzegovina.

The U.N. Security Council imposed sanctions on the Yugoslav Federation of Serbia and Montenegro in late May 1992, for alleged involvement in the civil war in neighboring Bosnia-Herzegovina.

The U.N. Security Council suspended some of the sanctions for a hundred-day period in early October, after the Yugoslav Government severed all links with the Bosnian Serb republic, closing the common border for all but relief aid deliveries on Aug. 4.

The Yugoslav Government's decision was prompted by the Bosnian Serbs' rejection of the 'Contact Group' plan for the territorial division of Bosnia-Herzegovina. All the Pellnas reports, based on the reports from the field and NATO air monitoring data, have confirmed that the Yugoslav Government is consistently fulfilling its obligations.

The observer mission covers the border area of about 574 km, from the north of Serbia to the south of Montenegro, with 70 border crossings being covered round-the-clock, in close cooperation with Yugoslav police, customs officers and the Army. The mission includes 16 countries and more than 180 observers.

Pellnas said initial problems concerning smuggling incidents at the Montenegrin border and night crossings over the Drina river which separates Yugoslavia and the Bosnian Serb republic had been solved in a satisfactory way.

Moreover, some objections to the quality of customs inspection have also been successfully solved, he said.

Pellnas said the mission was confident that it was almost impossible for a more significant load to cross the border without being inspected first.

Some smaller routes and paths have been covered in a satisfactory way and in Montenegro alone 32 barriers have been placed in such places to prevent smugglers from crossing the border, he said.

Pellnas said the best proof for that was the seizure of 16 fuel tankers at a border crossing in Montenegro on New Year's Eve.

Pellnas, whose 100-day mandate will soon be up, said he was satisfied with the way he had cooperated with the Yugoslav Government as well as with Yugoslav police, customs officers and Army in the field. Pellnas said his successor, Finnish Gen. Tauno Juhani Nieminen, was arriving in Belgrade on Jan. 8 and would take over the office on Jan. 14.

Pellnas said after two years of living away from his family, he deserved some peace in his retirement. He said there were no other reasons for his replacement, and said he was not pressured into it.

Likelihood of U.S. Lifting Bosnia Embargo

LD0701143795 Belgrade TANJUG in English 1405 GMT 7 Jan 95

["Pool" item by Dejan Lukic]

[FBIS Transcribed Text] Washington, Jan. 7 (TANJUG)—Senator Robert Dole of the state of Kansas, a member of the Muslim lobby who has waited for eight years to take over as president of the U.S. Senate, did not lose any time and raised the issue of Bosnia at the first, formal session of the new Congress.

While his Republicans on Wednesday celebrated their victory in the November elections, which has secured them a majority in both the Senate and House of Representatives, Dole included his draft resolution on Bosnia among the priority items on the Senate agenda. The draft resolution calls on President Bill Clinton not to heed the United Nations, Great Britain, France and Russia and to start unilaterally supplying the Bosnian Muslims with arms.

The United Nations in September 1991 imposed an embargo on arms deliveries to the former Yugoslavia. The United States on Nov. 12 last year unilaterally decided no longer to participate in the international monitoring of the embargo's implementation.

Analysts in Washington have taken Dole's move on the first day of work of the new Congress as an expected personal declaration of war on President Clinton. Analysts say it is also an indication that the Republicans will push Clinton into various adventures hoping to eliminate any chance of his re-election.

Dole, who had launched a crusade for the breaking up of the former Yugoslavia back in 1987, is one of the potential Republican candidates for the 1996 presidential race. It is under pressure from Dole, currently the most influential figure on Capitol Hill, that the once moderate Newt Gingrich, the new House speaker, has done an about-face. Gingrich used to think that Bosnia was a European affair and the U.S. had no business there. Now, however, Gingrich wants U.S. aircraft to pound Bosnian Serbs for at least several days running. All of Dole's ideas about the 'innocence' of the Bosnian Muslims and the 'guilt' of the Serbs for the developments in the Balkans have been embraced also by House Foreign Policy Committee Chairman Ben Gilman. Lastly, the sponsors of the Dole resolution include the new Senate Foreign Relations Committee Chairman Jesse Helms.

The Dole-Gingrich-Helms-Gilman phalanx is influential enough to push through Congress practically any decision. It is therefore certain that a law on the unilateral withdrawal from the international arms embargo will soon be found on Clinton's table. It remains only to be seen whether Clinton—who cares more for the European partners and Russia than the Bosnian Muslims—will resort to his veto right, which he would be doing for the first time since entering the White House.

Transfer to NASA BORBA Offered by Mijic

AU0801204795 Belgrade POLITIKA in Serbo-Croatian 31 Dec-3 Jan 95 p 16

["S.G."-attributed report: "NASA BORBA Starting After New Year"]

[FBIS Translated Text] "Finavest, a publishing enterprise by Dusan Mijic, was recently registered with the Novi Sad business court with Gordana Logar entered in the register as its chief and responsible editor. After the new year, we shall begin with a new paper, most probably named NASA BORBA, the way our readers and sympathizers have known it," Rasko Kovacevic, leader of the independent trade unions, said at yesterday's news conference in the editorial office of the BORBA Stock Holding Company.

According to him, the statute is being prepared and after the holidays, it will be officially proposed to the editorial office of "the substituted" BORBA to transfer to NASA BORBA. The principle applied will be one-third of managerial rights for the editorial board and one-third for Dusan Mijic, with the remaining one-third to be put on the market in the form of a stock package.

Interested correspondents are already allowed to join the new firm. However, it must be pointed out that, during the first three months, everyone will receive the same salary, following the principle "that we all have the same stomachs."

It was also pointed out at the news conference that the New Year quadruple issue of "the old" BORBA was already on sale and that its correspondents would stay on BORBA premises until 5 January, when the liquidation process will commence.

Yugoslav Envoy Hopeful for Serb-Croat Relations

LD0801214995 Belgrade TANJUG in English 2111 GMT 8 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 8 (TANJUG)—Yugoslav representative in Croatia Veljko Knezevic said Sunday he was hopeful of a Serbian-Croatian rapprochement.

"The Yugoslav side awaits with optimism the resumption of talks on normalizing Serbian-Croatian relations," Knezevic, who heads the Yugoslav bureau in Zagreb, said in an interview for Radio Belgrade.

Knezevic said that Croatia was still making conditions for coming to Belgrade, although the Yugoslav side had shown good will and had visited Zagreb twice.

"It is our position that the normalization of Serbian-Croatian relations should proceed gradually, step by step, because our differences are great and intolerance and mutual mistrust enormous," he said.

"In such a climate of mistrust it goes against political logic to insist first and foremost on an immediate mutual diplomatic and political recognition," said Knezevic and added, "Yugoslavia expects an initiative from Croatia."

Knezevic said that Yugoslavia was advocating peaceful consultations between Croatia and the republic of Serb Krajina and itself had no aspirations in their dispute. Yugoslavia will "support anything agreed by the two sides in an equal and free dialogue," he said.

Knezevic said that Croatia and Serb Krajina had agreed a truce in late March 1994 and signed an economic accord in early December, which had already resulted in the reopening of the Belgrade-Zagreb highway. The fulfilment of the two aspects of the plan devised by Former U.S. Secretary of State Cyrus Vance for settling the dispute will create a peaceful climate for settling the third and most sensitive issue—the political issue, said Knezevic.

Serbs in Croatia set up their own state, the republic of Serb Krajina, in 1991, after Croatia launched a war of secession from the former Yugoslavia and removed Serb national rights from the Croatian Constitution. Serb Krajina was placed under U.N. protection in the spring of 1992.

POLITIKA Board Calls For Antic Dismissal

LD0701182895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1750 GMT 7 Jan 95

[FBIS Translated Excerpt] Belgrade, 7 Jan (TANJUG)—The board of directors of the POLITIKA Company today called for the resignation of POLITIKA Newspaper Company Director Hadzi Dragan Antic "because of making business omissions and inflicting damage on the reputation of the POLITIKA Company."

A statement from a session of the board of directors says that Antic "has inflicted serious damage to the POLITIKA house in connection with the planning and printing of the New Year issue of POLITIKA, and by his behavior causing discord within the company and besmirching its reputation." [passage omitted]

Serbia

Marjanovic: Programs To Fight Economic Crime

AU0701211795 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 7 Dec 95

["Excerpts" of a 30-minute interview with Prime Minister Mirko Marjanovic by an unidentified correspondent of the "Belgrade Television Morning Program" in Belgrade on 7 January—recorded]

[FBIS Translated Excerpt] [Marjanovic] We have taken a big step from chaos, hyperinflation, and even megainflation to the present situation. I think we all agree that this megainflation has, in a way, been suppressed. However, there is always the danger that if we do not work sufficiently, carefully, and successfully—and I am not only referring to successful work at the managerial level but in general; however, the biggest responsibility does lie with the management—then worse things can happen. I am an optimist—and not just me, but also my surroundings and all my aides. Why are we optimists?

[Unidentified correspondent] Yes, why?

[Marjanovic] I will tell you why. First of all, we have resolved the problem concerning the state—namely, there will be no deficit budget this year. Last year we had deficit financing by mid-July. After July, as you saw, we did not seek the assistance of the National Bank. My fundamental objective is not to have a deficit budget. My second objective is to finance the budget from real sources of income. This year we will successfully realize this. This is the basic precondition for progress and a state task that we have managed to assert. True enough, this is all still just a project; however, we must implement it in practice.

On the other hand, we must do everything to stabilize prices. They are slowly stabilizing now. Although, as you might have noticed, there was a wave....

[Correspondent] Yes, things were swaying....

[Marjanovic] Yes, things were swaying at bit. However, with our measures, especially the October measures put forward by [Federal Republic of Yugoslavia National Bank Governor] Avramovic in agreement with both governments, we succeeded and they produced results. You saw that the foreign currency dealers' cut decreased rapidly. Whenever something similar occurred, we managed to suppress it, or so we believe. We proved to all those doubting Thomases that it could be achieved. We will not view these economic policy measures—as you have seen we retained them for 1995—which are good and right in my opinion as something rigid. We must constantly evaluate them as they are being realized whether anything should be improved, and so forth.

The second priority is a battle for price stability, by which we are actually protecting real incomes. We will do everything for this because this government must always keep the social component in sight. At the end of the day, our government's program also contains a social program. [passage omitted]

[Correspondent] Are you, as the government with all your ministries—the Ministry of Internal Affairs, the Ministry of Justice, and others—capable of putting a stop to crime?

[Marjanovic] We are currently working on these programs together with the Federal Government, and we believe that we will go public very soon and start a perfectly open battle with crime. Up until now, we have done everything that could be done. I believe that we are facing a period this year during which the battle against crime will be prominent, to see where it occurs the most and why. We know what the times are like. I have no doubt that we will accomplish much better results in this realm, too. We see everything that is happening, especially among the younger generations. However, our foremost concern is to uproot the elements and the crime that we have not uncovered and detected yet. This is mainly present in the economy and linked to money, capital. It is here where we must undertake measures and win our major battle.

Economist Says Budget Plans 'Irresponsible'

AU0801194495 Belgrade BORBA in Serbo-Croatian 29 Dec 94 p 9

[Article by Bojana Jager: "Unrealistic Revenues Are Filling Up Realistic Budgets"]

[FBIS Translated Text] In view of the current tax rates, the freezing of salaries and pensions at 75 percent of the average wage in November, the realized revenues for financing public spending in November this year, and the budgetary plans for the next year that are known so far, it emerges that, in 1995, some 14.6 million dinars of revenue, or as much as 65 percent of the national product, should be provided almost entirely from fiscal sources for the financing of public spending. Assessing these figures, Aleksandra Posarac of the Institute for Economics concludes that no similar example can possibly be found anywhere in the world and that such planning is irresponsible and ridiculous for the country that is pursuing a policy of stabilization.

"However, realistic estimates for the coming year show that only 11.5 to 12 billion dinars of the net revenues could be collected, which means that the public deficit would amount to at least 2.6 billion dinars, that is, 11.6 percent of the national product. That is to say, the officially advertised policy of balanced public spending and its realistic financing, in view of the planned outlay, is simply unfeasible, so the planned stabilization policy will fail if public expenditure is not restricted radically, which is obviously not intended," Posarac said.

At the same time, such plans for expenditure generate an enormous tax burden, which will have various negative effects on the economy in the next year. Posarac recognizes those effects: "First and foremost, there will be a recession, because of the high costs of work and the probable pressure the state will put on manufacturers not to increase the prices of their products, although they will not be able to increase productivity, because they are still burdened with surplus staff. The natural consequence of this will be a drop in production. This will be followed by tax evasion, an increase in the gray economy (which will further reduce tax revenues), further discrepancies in prices, and undiminished pressure exerted by firms on monetary policy."

According to this economist's analyses, the projections of public expenditure are inadequate and conflict at the republican and federal levels, primarily those regarding the main budget sources—the tax on turnover, the revenues from stocks, and the taxes on individual incomes. So, for instance, the expectation that the turnover tax will yield revenues totalling 3.68 billion dinars is unrealistic. The income tax revenues that are expected to provide the Serbian budget with over 2.3 billion dinars are also unrealistic; given the proposed cutback of the tax rate to 16 percent, this would mean that the total volume of salaries in Serbia is projected at more than 8.8 billion dinars, or as much as 39 percent of the country's national product.

Posarac concluded that the planned revenues in Serbia are unrealistically high and that this level simply cannot be accomplished. The federal treasury has done better, but the economy will pay the price eventually—through increased expenditure, of course. That is to say, the federal treasury's reduced participation in the apportionment of income tax between the republics and the federation by 5 percent has been compensated for by the federal state through increased customs duties, while similar action may be subsequently taken regarding the tariff imposed on individuals leaving the country. Expenditures have not been reduced.

Answering the question of why the architects of the economic policy have actually not put together a consolidated plan for public expenditure in 1995, Posarac said: "Its size would cause severe criticism because of the enormous fiscal burden placed upon the economy and because of the realization that the state does not intend to put the advertised fiscal accommodation into practice at all. Besides, it would be demonstrated that there is no realistic revenue to cover the 'merrily' planned expenditure. In addition, the entire complex of quasi-fiscal deficit remains further in question because of disparate prices in the infrastructure and municipal services."

In the new year, according to Posarac, the following will happen: The state will take and spend as much as it can, and it is possible that the planned revenues will be accomplished in their nominal amount, but they will be reduced to their real value by inflation created in this way. "This November has already sent us a message, because, during that month, the realistic original revenues planned for spending shrank, since prices increased by 7 percent," Posarac pointed out.

Correspondent Describes Croatian Media Situation

AU0701170095 Belgrade BORBA (Alternative Edition) in Serbo-Croatian 5 Jan 95 p 6

[Report by V. Simonovic: "Everything Is the Same Concept"]

[FBIS Translated Text] "Do we have to learn from BORBA what fate is awaiting us regarding the agreement on economic relations with Krajina," Goran Granic, deputy chairman of the most prominent opposition party, exclaimed in the Croatian Assembly, and then added that that is an expression of a poor attitude that Croatian authorities have toward parliamentary life in general, as Croatian Assembly deputies must learn about the agreement's text from faxed reports by an enemy state's newspapers.

This is only one illustration in the story told by Zagreb correspondent Branka Sesto, who is now forced to work freelance. She used to work as a Zagreb television correspondent and cultural editor.

"The perfect coordination of events here and in Zagreb is astounding," Branka Sesto says, expressing her first impressions following a tiring trip to Belgrade via Hungary.

She recalls that, just like BORBA, VJESNIK lost its chief editor and, instead of Kresimir Fijacko, received a professional anonym about whom people there, just like in the case of BORBA, kept asking: And who is he? Before all this happened, Fijacko was admired as a man who managed to restore at least some of the newspaper's professional image, and then he was replaced in a single stroke of a powerful pen. Only Gojko Marinkovic, a correspondent in the know, managed to remember that the new VJESNIK chief, Ante Ivkovic, did in fact work for a local Zadar newspaper at one time. However, before Marinkovic remembered it, this fact was not known, Branka Sesto says.

Viewing the situation in BORBA today, Branka Sesto, one of the founders of the City Initiative for Freedom of the Public Word, said that it has been proven in Croatia as well that everything will fail if the editorial staff—that is, the endangered journalists—does not unite. The only case in which something was able to be done was at

Rijeka NOVI LIST. The editorial staff fully supported the same side, they all had the same opinion, and they all backed one person. They managed—at least so far—to more or less maintain the status of an independent newspaper, Branka Sesto says. The newspaper is owned by the people who are running it. However, the limiting factor for NOVI LIST is its regional character and a matching tradition. They are still not making a Zagreb edition, and all copies that do reach Zagreb are sold by noon.

Regarding the independent media, the situation in Croatia seems to be somewhat more favorable at the moment, the Zagreb correspondent tells BORBA, albeit she expresses a serious reserve: This more favorable position is extremely unstable and frequently changes. The Serbian situation has a basic advantage of still having an independent daily, and the weakness of the Croatian situation is the virtual nonexistence of free electronic media.

The FERAL TRIBUNE is the heart of freedom in our neighborhood. The position of PECAT (made by the team of the former DANAS), however, is not showing any serious signs of success. The "Start of the New Generation" has already been nipped in the bud by the authorities, and ARKZIN, the antiwar campaign newspaper, is in such a situation that it may disappear any moment if it stops receiving help. GLOBUS is a story in itself.

"Well, in fact, I really do not know," Branka Sesto concluded, and then added: "It seems to me that we are all in the same... concept."

SPS Official Welcomes 4-Month Truce in Bosnia

LD0701135595 Belgrade TANJUG in English 1335 GMT 7 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 7 (TANJUG)—Socialist Party of Serbia [SPS] Vice-President Borisav Jovic Friday stressed the significance of the agreed four-month cessation of hostilities in Bosnia-Herzegovina.

In a statement released by the SPS, the strongest party in both the Yugoslav parliament and Serbian legislature, Jovic said that, considering the truce of Jan. 1, a less pessimist view could be taken toward finding a permanent and just solution to the Bosnian crisis.

Jovic, who is chairman of the Yugoslav parliamentary foreign-policy committee, thanked a delegation of Japanese workers in a humanitarian mission to Yugoslavia, for the aid sent to hospitals and other medical institutions.

The statement said Jovic had stressed Yugoslavia's and the SPS' consistent peace policy and expected the international sanctions against Yugoslavia to be lifted. He said that would be a decisive contribution toward establishing peace in the former Yugoslavia.

Head of the delegation, Tokyo University Prof. Icuko Teruoka, said the introduction of sanctions was contradictory to all international conventions and in particular to the U.N. Charter. Teruoka agreed with Jovic that such measures were most detrimental to the people.

She acquainted Jovic with the actions of a recently founded international network for humanitarian aid and the lifting of the sanctions, based in Japan. Teruoka said a number of activities had been undertaken to acquaint the Japanese public of the actual situation in the former Yugoslavia.

The U.N. Security Council in May, 1992, imposed comprehensive and mandatory sanctions against Yugoslavia owing to its alleged involvement in the war in Bosnia-Herzegovina.

Kosovo

Rugova Briefs Wimmer on Serbian Aggression

AU0701185895 Tirana TVSH Television Network in Albanian 1735 GMT 7 Jan 95

[FBIS Translated Text] In Prishtina today, Kosovar President Ibrahim Rugova received Mr. Willy Wimmer, deputy chairman of the OSCE Parliamentary Assembly and German Bundestag deputy, and Dr. Thomas Schmidt, first secretary of the German Embassy in Belgrade.

President Rugova acquainted Mr. Wimmer with the situation in Kosova, which is deteriorating due to the mounting repression and violence of the Serbian regime.

Talking about a solution to the Kosova issue, Dr. Rugova expressed his view and readiness to achieve a political solution through talks with the Serbian side and the mediation of an authorized third party. Rugova stated that an international civil administration in Kosova would normalize life and create the preliminary conditions to resolve the Kosova issue through negotiations and respect for the political will of the Kosovar people.

An independent and neutral Kosova, open to Albania and Serbia, is an optimal solution that would calm Albanians and guarantee peace and stability in the region, President Rugova stressed.

The deputy chairman of the OCSE Parliamentary Assembly stressed the organization's interest in Kosova, as well as its commitment to reaching a solution for the Kosova issue. He said that Belgrade will show readiness to resolve the Kosova issue and that without a solution to this problem, there can be no return of Serbia to the international community. Serbia's road toward Europe goes through Prishtina, Mr. Wimmer said.

During the meeting, they also talked about assistance that Germany can render in resolving the Kosova issue.

Rugova Discusses U.S. Assistance; Condemns Serbs

AU0601213195 Tirana TVSH Television Network in Albanian 1735 GMT 6 Jan 95

[Ramadan Mucolli telephone report from Prishtina]

[FBIS Translated Text] [Announcer] Commenting on the Serbian authorities' latest scheme and the massive propaganda to colonize Kosova, President Ibrahim Rugova at today's news conference described these as part of a dangerous campaign that could increase political tensions in Kosova. Reflecting on the Republicans' victory in the U.S. Senate and Congress, Dr. Rugova said that both the Republicans and the Democrats have helped to promote the Kosova issue since the late 1980's.

The Kosova issue, which heightened in awareness last year in the United States, will further advance this year, Rugova told correspondents. Ramadan Mucolli reports from Prishtina:

[Mucolli] At the beginning of the news conference, President Rugova expressed the desire that this year be one of peace, agreements, and understanding in the Balkans. He called on the international community to help achieve a global solution for all the problems in the former Yugoslavia, including Kosova.

Condemning the Serb repression against the Albanian people, President Rugova briefed correspondents on the various types of repression that continued this week. He stated that 43 former Albanian policemen were still being held in custody in Prizren, Ibrahim Zeqir Pacarizi was wounded on the border area between Kosova and Macedonia [The Former Yugoslav Republic of Macedonia] in Han i Elezit, and a three-year-old child in Podujeve was taken hostage at a police station. There are other forms as well, such as the raids under the pretext of searching for arms, the violent evictions from apartments, the quests for youths to violently send to the Serbian Army, etc.

Mr. Rugova also demanded the release of all political prisoners and those convicted. Describing the raid of the offices of the Kosova Democratic Alliance [LDK] Commission for Solidarity, he stressed that this commission only deals with solidarity aid issues and has no other function. President Rugova said that this raid is yet another proof that the Serbian authorities are hindering humanitarian aid in Kosova.

Commenting on the Serbian propaganda to colonize Kosova and the Serbs' plans to set up residences for colonists, Rugova said that this is a dangerous campaign that could increase tension in Kosova.

Regarding the warnings to the so-called law for the administrative reorganization of Kosova, Rugova asked the Serbian authorities not to tamper with Kosova issues.

Asked to comment on the changes in the U.S. Senate and Congress and their opinions regarding the Kosova issue, President Rugova said that both sides—the Republicans and the Democrats—have promised that they will remain committed to the Kosova issue, which gives hope for a common action on their part. He assessed that President Clinton's administration was very active and that last year, the Kosova issue was elevated in the United States and that it will progress much further this year.

Asked about the warnings against introducing other Serbian laws in Kosova, President Rugova consideres them a pressure that aims to cause concern in the populace and destabilize the situation in Kosova.

Wimmer: Yugoslavia's Integrity Should Be Preserved

LD0601215995 Belgrade TANJUG in English 2117 GMT 6 Jan 95

["Pool" item]

[FBIS Transcribed Text] Pristina, Yugoslavia, Jan. 6 (TANJUG)—A ranking OSCE [Organization for Security and Cooperation in Europe] official said Friday that international fora were working for preserving the integrity of Yugoslavia.

Vice president of the Organization for Security and Cooperation in Europe parliamentary assembly Willy Wimmer said that the United Nations, the European Union and the OSCE wanted to preserve the territorial integrity of Yugoslavia and its Republic of Serbia.

Meeting with officials of Serbia's province of Kosovo and Metohija, Milos Nesovic and Bosko Drobnjak, Wimmer urged a peaceful and sensible approach to questions in dispute in the province, plagued by a strong ethnic Albanian separatist movement since 1981.

A provincial government statement quoted Wimmer as saying that ethnic groups should enjoy the highest level of territorial and cultural autonomy, which should rule out secession.

Yugoslav and Serbian authorities have explained that ethnic Albanians have all rights under international law, from schools and media in their language to the vote and the chance to be elected, which last they have chosen to ignore, spurred on by separatists. The authorities have been offering ethnic Albanians dialogue on all questions except secession.

Wimmer, who is on an official visit to Yugoslavia, told reporters in Belgrade on Thursday that the OSCE (former CSCE) was trying to re-establish a human rights monitoring mission to Yugoslavia. The mandate of the organization's earlier mission to Yugoslavia expired in the summer of 1993 and Yugoslavia has refused to discuss its renewal until its suspension in the OSCE was lifted and it could negotiate on an equal footing.

Yugoslavia was suspended from the work of the organization in the summer of 1992, after the United Nations imposed comprehensive anti-Yugoslav sanctions, alleging the country's involvement in the Bosnian civil war.

Vojvodina

Authorities Discuss Plans To Develop 2 Airports

AU0901120995 Belgrade POLITIKA in Serbo-Croatian 4 Jan 95 p 13

[Report by S. Zivkovic: "Airports in Sombor (and Novi Sad)"]

[FBIS Translated Text] Novi Sad, 3 Jan—Prior to the New Year holidays, the Vojvodina Executive Council discussed the possibility of turning the existing military airport in Sombor into a civilian airport. A project to convert this airport has already been completed by the Belgrade School of Communications. This project has also been a topic of discussion for the provincial government.

According to the information available, studies have shown that the potential number of passengers who would be using this airport would be between 14,000 and 27,000 a year. A diverse and well developed economy in this part of Vojvodina also represents a great potential for freight traffic. The conversion of the military airport in Sombor, states the Executive Council, could create possibilities for a much more advantageous use of aviation in Vojvodina's agriculture.

As POLITIKA has learned, intensive activities are underway to develop an international airport in Novi Sad that would serve as an alternative airport for Surcin [near Belgrade]. The airport would be located at Cenaj, near Novi Sad, where there is already an airfield, used occasionally by sports airplanes and cropdusters.

According to the project, the first stage would involve the adaptation of the existing facility at Cenej, which would be used as an airport building, and the construction of a tunnel. The existing runway will remain a grass runway until further decisions have been made. If the necessary funds arrive on time, the first flights should commence soon, especially because the initiator of this project, the Novi Sad Air Club and the president of its managing board, Stevan Popov, enjoy the full support of the necessary city, provincial, and republican organs. The Novi Sad Air Club will found a stock company whose prime objective will be to create conditions for speedier development of sport aviation and parachuting in our country.

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